

Algeria	5.50 Dn	Israel	15.25 Dn	Norway	5.00 Nkr
Austria	17.5 S	Italy	1000 Lire	Portugal	200 Esc
Belgium	480 Dn	Japan	360 Yen	Spain	166.67 Ptas
Canada	1.31 Cdn	South Africa	50 F	Sweden	4.60 Skr
Cyprus	400 Dn	Switzerland	70 F	Tunisia	100 Dn
Denmark	4.60 Dn	U.S.	1.00 Dn	Yugoslavia	20 Dn
Egypt	100 P				
France	4.50 F				
Germany	2.00 Dn				
Greece	4.50 Dn				
India	125 Bn				

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Kremlin May Build Pipe Units

Move Considered Reply to Reagan

By Dusko Doder
Washington Post Service

MOSCOW — In what appears to be a response to President Reagan's escalating trade war, the Soviet Union is reported by Western businessmen here to have decided to produce its own large compressor stations for five domestic pipelines due to be built this decade.

A West European businessman with experience in Soviet pipeline equipment imports said he was advised that the Soviet government would build the large 25-megawatt turbines for such stations at the LNZ plant in Leningrad.

This means, he said, that expected Soviet contracts for the construction of 130 compressor stations for five trunk pipelines would not materialize. He estimated that companies in West Germany, France, Italy and Britain would lose more than \$10 billion worth of business if, indeed, the Soviet Union has the capacity to build its own stations.

It was not possible to ascertain whether the Russians are actually developing the turbine, or whether the reported development is an effort to pressure Western European governments to seek a reversal of Mr. Reagan's embargo. It is not even known whether the reported go-it-alone approach represents a basic strategic decision.

Mr. Reagan's decision enlarged the ban on sale of U.S. oil and gas equipment to Moscow to cover European subsidiaries of American companies as well as firms producing such equipment under license.

The reported Soviet decision to produce new large turbines does not affect the contracts signed by Western European firms participating in the construction of the 5,500-mile (5,600-kilometer) pipeline scheduled to carry Siberian natural gas to Western Europe starting in 1984. The Soviet Union, which is to make roughly \$8 billion annually from natural gas sales to Western Europe, is insisting that the firms meet their obligation.

The Soviet Union intends to construct five other trunk pipelines running parallel with the export line. These would link the largest Soviet natural gas field at Urengoi with western sections of European Russia. One of these is destined to carry natural gas to Eastern Europe.

According to Western European (Continued on Page 2, Col. 7)



Gaston Thorn, left, president of the European Economic Community Commission, and British Prime Minister Margaret Thatcher, right, offered their help as West German Chancellor Helmut Schmidt climbed the steps of the Egmont Palace in Brussels after posing for photographers Tuesday. Also attending the regularly scheduled EEC summit meeting were Irish Premier Charles J. Haughey, upper left, and Francois X. Ortoli, the commission's finance commissioner.

EEC Leaders Ask Israel, PLO To Abandon Beirut Positions

By Axel Krause
International Herald Tribune

BRUSSELS — European Economic Community leaders ended a two-day summit meeting here Tuesday by calling for an immediate and simultaneous withdrawal of Israeli and Palestinian forces from their present positions in and around Beirut, while urging that the present cease-fire in Lebanon "must at all costs be preserved."

In their final communiqué, which also dealt with controversial transatlantic trade issues, the EEC leaders said that the establishment of a final peace in Lebanon requires the complete and prompt withdrawal of Israeli forces from that country as well as the departure of all foreign forces except those which may be authorized by a legitimate and broadly representative government of Lebanon.

The separation of forces, the EEC leaders urged, "would be controlled during this short transition period by Lebanese forces and, by agreement with the Lebanese government, by [United Nations] observers or forces."

While the communiqué did not refer to the establishment of a Pal-

estinian state, it said that Israel "will not obtain the security to which it has a right by using force.... It can find this security by satisfying the legitimate aspirations of the Palestine people."

Urges PLO Participation

The EEC leaders, who had long and often intense discussions on the subject, repeated their "vigorous condemnation" of the Israeli invasion and agreed that the Palestinians "should have the opportunity to exercise their right to self-determination with all that this implies." The communiqué added that the position of the 10-nation community "remains that the Palestine Liberation Organization should be associated with the negotiations."

Commenting on the overall results of the meeting, President Francois Mitterrand of France said he was satisfied with the communiqué and that it "corresponds to our preoccupations" and what he termed France's hope for "a return to equilibrium" in the area.

Mr. Mitterrand dismissed reports that there had been deep differences in the summit participants' approaches to the Lebanon conflict, describing the talks as

"long, but not that difficult, basically." At an earlier news conference Tuesday, Britain's foreign minister, Francis Pym, described the summit meeting as "useful and important." On U.S.-EEC trade issues, he said, "the right balance" had been struck in the final communiqué between those EEC members that have advocated a hard line on relations with the Reagan administration and those that have pressed for continued negotiations with Washington.

The communiqué's language regarding U.S.-EEC relations, while critical of the administration, was considerably toned down from earlier versions, summit participants said, largely at the urging of Prime Minister Margaret Thatcher of Britain in the interests of what Mr. Pym described as "the strongest possible alliance."

"The European Council expressed its concern at these recent developments which could have adverse consequences for their relations with the United States," the EEC statement said. This was a reference to recent administration decisions regarding European involvement in the Soviet natural gas pipeline project, U.S. restric-

tions on EEC steel imports and Washington's criticism of the community's Common Agricultural Policy.

Although references to the pipeline decision were kept vague, EEC leaders warned with regard to the latest U.S. bans on supplying parts for the pipeline that "the maintenance of the open world trade system will be seriously jeopardized by unilateral and retroactive decisions on international trade, attempts to exercise extraterritorial legal powers and measures which prevent the fulfillment of existing trade contracts."

Officials at the summit said they were unable to confirm or deny recent reports that the Reagan administration was hinting that the pipeline ban could be reversed if allied governments raised the price of their export credits to the Soviet Union.

The communiqué urged that "a genuine and effective dialogue take place" between U.S. and EEC leaders "responsible for decisions in the areas of possible dispute." Summit participants said that new talks would be organized in several weeks.

Mr. Mitterrand said this dia-

(Continued on Page 2, Col. 5)

Israel Asserts PLO Is Stalling in Talks

This story was subject to Israeli military censorship.

By Edward Cody
Washington Post Service

JERUSALEM — A high Israeli official charged Tuesday that the Palestinian guerrilla leadership in Beirut is negotiating in bad faith and stalling for time in hope of avoiding an Israeli assault on West Beirut without surrendering and leaving Lebanon.

"This being so, we view with great gravity the situation," added the official, who briefed correspondents. His remarks seemed intended to increase pressure on U.S. and Lebanese negotiators who are dealing with Palestinian Liberation Organization leaders in the encircled Lebanese capital to arrange the departure of PLO fighters and avert the high casualties likely to accompany an Israeli blitz on the city.

In a carefully drafted Cabinet statement on Sunday, Israel declared that all PLO members, without exception, must depart from Lebanon. Backing its demand were overwhelming Israeli armored forces poised to attack West Beirut and the U.S.-supplied Israeli Air

Force, against which the guerrillas have almost no defense.

With this in mind, Defense Minister Ariel Sharon told the Knesset, the Israeli Parliament, on Tuesday evening that the guerrillas must "examine their consciences" over the Israeli demands, adding: "The government has given them a time limit to get out of their trap in Beirut."

[Saudi Arabia proposed Tuesday to airlift Palestinian guerrillas from West Beirut in a new bid to avert a military showdown in the Lebanese capital, The Associated Press reported from Beirut, quoting Western diplomatic sources.

[The sources, who requested anonymity, said that the government of King Fahd offered to airlift the guerrillas to the countries of their choice as an alternative to the overland safe conduct that Israel offered under Red Cross escort to neighboring Syria.

[The rightist Voice of Lebanon radio station said that the Saudi offer was under consideration by the Lebanese government and the Palestine Liberation Organization leadership, but there was no direct

comment on the report from either side, the AP reported.]

Against this background, the U.S. special envoy, Philip C. Habib, was conveying a series of proposals relayed from the PLO leader, Yasser Arafat, through Lebanese politicians, Mr. Habib and Washington, to the Israeli government in Jerusalem. It was these proposals and what the official called "the atmosphere of the negotiations" that prompted Israel's charges of bad-faith bargaining.

'Playing for Time'

"We are under the impression that the PLO in talks with the Lebanese government and Ambassador Habib, that these talks are not going well, that the PLO is playing for time, that the PLO is trying to make the world believe they are ready to leave and so on, that they are playing for time," he said. "Therefore, we hope the United States and Lebanon understand that additional pressure will have to be brought to bear on the PLO."

The informant, a high-ranking official with access to details of the negotiations, declined to say how

the Israeli government could judge the "atmosphere" of the talks even though its representatives are not participating. In principle, Israel is informed of PLO positions only through messages from Mr. Habib relayed through Washington by the Israeli Embassy there and the U.S. Embassy in Tel Aviv.

Under questioning, he indicated that Israeli officials are in touch with some Lebanese personalities. Although these were not specified, Israeli and Christian Phalangist militia leaders have had close relations in the past. Mr. Sharon met last week near Beirut with the Phalangist military leader and Lebanese presidential candidate, Bashir Gemayel.

As an example of bad-faith negotiating, the official cited a PLO proposal that one of its units remain armed and attached to the Lebanese army. This idea — a "nonstarter" in his words — was rejected by the Lebanese government even before Israel passed on it, the official said.

Other suggestions reportedly vetoed by Israel include a PLO po-

(Continued on Page 2, Col. 6)



Traffic out of West Beirut was snarled at a checkpoint set up by Lebanese Phalangists.

U.S. May End Grain Sales to Soviet Union

By Robert C. Toth
Los Angeles Times Service

WASHINGTON — The Reagan administration is considering a plan for not renewing the United States' 6-year-old grain agreement with the Soviet Union, which guarantees Moscow the right to buy at least 6 million tons of U.S. wheat and corn a year.

The State Department has recommended that the controversial agreement be allowed to lapse when it expires Sept. 30, even though the Department of Agriculture, Midwestern congressmen and some farmer groups want it extended and even expanded.

A top-level Cabinet council meeting scheduled to make the decision Monday was canceled, officials said, presumably because of the abrupt resignation of Secretary of State Alexander M. Haig Jr. last Friday. No new date has been set for the meeting.

The decision promises to be controversial, particularly coming in advance of midterm congressional elections in November and at a time when farm income is falling for the third year in a row.

One U.S. official speculated that a formal decision on the future of the grain agreement may be delayed indefinitely until the agreement lapses automatically Sept. 30, in order to minimize publicity. But a White House official insisted Monday that "it will not go by default."

Among those who want the grain agreement extended are Sens. Robert J. Dole, Republican of Kansas, and Roger W. Jepsen, Republican of Iowa. They have said that an extension would be "a vital and necessary step toward restoring normal grain trade relations between the two countries and in strengthening U.S. farm prices."

Grain sales to the Soviet Union have also become a sensitive international issue. The United States is accused of demanding "unequal sacrifices" of its allies by opposing such things as the Soviet natural gas pipeline deal and sales of sophisticated industrial equipment to Moscow, which largely benefits European states and Japan, while



The chief U.S. negotiator, Edward L. Rowley, left, greeted Soviet Ambassador Viktor P. Karpov in Geneva on Tuesday at the opening of the Strategic Arms Reduction Talks, known as START.

START Gets Under Way in Geneva

Reagan Sends Letter Urging Reduction in Weapons

By Michael Getler
Washington Post Service

GENEVA — The United States and the Soviet Union opened talks here Tuesday on reducing their long-range nuclear missile and bomber forces, negotiations that President Reagan called "one of the most important tasks of our age."

The president's assessment was made in a letter to Edward L. Rowley, the chief U.S. delegate to the Strategic Arms Reduction Talks, or START. Mr. Rowley, in turn, read portions of the letter to his Soviet counterpart, Ambassador Viktor P. Karpov, during their first hour-long meeting Tuesday at Villa Rosa, the Soviet mission in the hills overlooking Lake Geneva.

Mr. Reagan said that despite more than a decade of previous arms talks, "nuclear weapons continue to accumulate, and the strategic relationship between the Soviet Union and the United States has steadily become less stable."

He said that "an historic opportunity now exists" for both countries to break this process and thus "greatly reduce the nuclear anxiety that has become such a conspicuous feature of public concern throughout the world."

Mr. Reagan said the two superpowers "are trustees for humanity in the great task of ending the menace of nuclear armaments" and said he was convinced this could be accomplished if the two nations agree that "the only legitimate function of nuclear arms is to deter aggression."

Although Mr. Rowley, at a brief press conference after the meeting, declined to describe Mr. Karpov's reaction to the letter, the Soviet ambassador also made a generally positive statement about the ultimate need for a new arms agreement when he arrived in Geneva on Sunday.

Nevertheless, the two sides enter the negotiations very far apart on how to reduce these armaments and how to achieve what the U.S. side

calls "equality" in atomic striking power and the Russians call "equal security."

For example, Mr. Karpov said Moscow favors substantial reductions in strategic arms but also wants "at the same time" to set effective limits on the qualitative improvement of such weapons. This means the Soviet Union is certain to demand a halt or severe restrictions on the deployment on new U.S. weapons, such as the MX, Trident-2 and Cruise missiles and new bombers.

For this round of talks the United States has proposed a one-third reduction in the number of nuclear missile warheads by both superpowers — from about 7,500 to 5,000 warheads apiece.

In a separate round of U.S.-Soviet talks Tuesday, negotiators met for more than three hours in the seven-month-old discussions on intermediate-range nuclear forces in Europe. No details were disclosed, except that the negotiators would meet again Thursday.

In a Shattered 'Capital,' Palestinians Remain

By Jonathan C. Randal
Washington Post Service

BEIRUT — The only noise came from the chickens pecking through the dirt and from a faraway, high-flying aircraft.

The chickens would have been only a minor windfall passage in the cacophony of bustling, shouting crowds that inhabited Chatila and its sister cinder-block shantytown, Sabra.

Chatila and Sabra are the closest thing to a capital that the landless Palestinians have. In 1948, when the Palestinians arrived, rich Lebanese were only too happy to rent what then were sandy wastelands far outside Beirut.

Huddled in Lobbies

The aircraft was Israeli and on a reconnaissance mission. But other Israeli planes earlier had bombed these camps, and Israeli artillery and gunboats, normally ever-so-accurate, had shelled a nearby hospital and a mental hospital.

Most of the residents have fled, although some return for a few hours a day from their supposedly safer havens farther north in West Beirut, where they huddle in the marble lobbies of once-elegant apartment houses.

The fighters remain. They are mostly young men, even boys, some still innocent of a razor.

There are others like Mohammed Ali Hussein, at 76 a grizzled old man but still of erect military bearing, a Kalashnikov assault rifle slung over his shoulder.

But in among the ruined, twisted store fronts, the shattered glass, the punctured walls, the collapsed roofs and the general rubble there also remain civilians.

They do not see themselves as heroes or heroines, only as poor people with nowhere else to go.

They are no longer in any real way representative of the 4 million Palestinians spread out in diaspora across the Arab world and many Western countries.

Most Palestinians have prospered, studied hard and worked harder, often leaving these camps, dusty in summer, muddy in winter, to become computer specialists, engineers and bankers.

Dim Memory

But without the camps, without their sustained effort to keep alive the sullied-cherished if increasingly denied memory of the orange grove in Jaffa, now long since paved over, Yasser Arafat and his Palestine Liberation Organization would be as nothing.

So some poor stay in cinder-block houses in alleys like rabbit warrens. Some accept their

fate with a resignation as old as Islam, which in Arabic means submission.

"A person cannot leave her home," explained Amni Abdel Rahman. She is the wife of a hardware store owner who had just reopened for business because of the cease-fire, but only just. The corrugated iron curtain that serves as the storefront was only half raised. Mr. Rahman's best-selling item: locks.

Across the street is a deserted gas station, next door to a shop demolished by a shell.

Najla Moudkhal, wearing a dirty kerchief and holding the hand her 3-year-old son, Hassan, rails against the Israelis.

Why stay here when Lebanese and Palestinian charities are caring for tens of thousands of other Palestinians who fled from these camps? "Those people who left for Manara, for Manara," she says of two of Beirut's once most elegant neighborhoods, "they lost some children in the shelling or because of car bombs. It is all the same everywhere. There is no safety anywhere."

Up a winding alley, a 50-year-old construction worker named Samieh Mathan, originally from Jaffa, shuffles barefoot through his add-on house, built room by room, and shows visitors a shell hole in the corrugated roof.

The shell had struck while his nine children were sleeping. Why did he stay? "No money," he answered.

INSIDE

Secretary of State Alexander M. Haig Jr.'s disagreements with Defense Secretary Caspar W. Weinberger and Vice President Bush over how much to criticize Israel for its actions in Lebanon do not seem to have played as big a role in his resignation as his concern that others were interfering in his ability to manage foreign affairs.

Italy ambushed defending champion Argentina in a 2-1 shocker in World Cup soccer in Spain. The victory may have eliminated the Argentines. In the day's second match, England and West Germany drew, 0-0.

Canada's finance minister has ruled out any speeding up of the country's plan to put more of its energy production in domestic hands and has proposed to ease rules on foreign investments.

Pierre Balmain, 68, one of the world's leading fashion designers, died at the American Hospital near Paris.

Israel Is Criticized for Censorship

Reporters and Troops at the Front Are Both Upset

This dispatch was subject to Israeli military censorship.

By Norman Kempster
Los Angeles Times Service

JERUSALEM — After complaints over censorship, Israel has totally denied television networks the use of satellite ground-station facilities to transmit videotape originating in West Beirut.

In addition, Hersh Goodman, the military correspondent for the Jerusalem Post, has reported that censorship and a general lack of information is causing a morale problem with Israeli troops at the front, who listen to Radio Lebanon to get what they consider a credible picture of the war.

He reported that some soldiers at the front are asking serious questions about Israel's war aims. He said that troops understand the strategic reasons for capturing additional points along the Beirut-Damascus highway, "but cannot fully understand why this should have been worth so many lives."

Complaints arose that the censor was applying a political test to Beirut programming, which was not the case for programs originating in Israel. On Monday he refused to handle additional Beirut dispatches, according to Zev Chafetz, chief of the government press office.

The controversy began last week when the censor refused to pass an ABC-TV interview with Yasser Arafat, the Palestine Liberation Organization chairman.

ABC protested that the interview did not disclose anything about Israeli military operations, which had been the stated reason for Israeli censorship. When the censor refused to lift the ban, ABC transmitted the interview anyway.

Mr. Chafetz explained that Israel considered the interview "psychological warfare" originating in Beirut. He said the interview could

have been sent if it had originated in Israel.

Israeli censorship has become increasingly controversial, even with the Israeli battlefield correspondents.

Writing in the Jerusalem Post, Mr. Goodman asked: "Have we military correspondents been able to report the real story from the front, the human dimension? No, and for good reason. Censorship has been more strict and the army spokesmen less credible than ever before."

He added: "Things we had seen with our own eyes were subtly distorted. Thousands of Israeli troops who bear eyewitness to events no longer believe the army spokesmen. Soldiers have taken to listening to Radio Lebanon in English and Arabic to get what they believe is a credible picture of the war."

Mr. Goodman said that Defense Minister Ariel Sharon complained in a television interview last Friday that Israeli newspapers were not giving proper support to the army.

Salvadoran Audit Finds Possible Corruption in Land Reform Program

By Raymond Bonner

SAN SALVADOR — The Salvadoran agency administering the land redistribution program is so poorly run as to raise questions of propriety and corruption, according to a Salvadoran government audit. The audit also concluded that it was not yet possible to determine how the agency has spent funds provided by the United States.

The audit said that the accounting and financial departments of the agency, the Institute for Agrarian Transformation, "were incompetent to implement accounting systems and technical controls." It noted that, "as a result of the lack of basic criteria, the audit of the funds initially given by the Agency for International Development has not been finished."

The audit was conducted by the Court of Accounts, an independent agency. The audit of the Institute for Agrarian Transformation (ISTA) covered the 17-month period after the government's introduction of the land program in March, 1980.

Pair of Ministers Resign Positions In French Cabinet

Reuters

PARIS — Industry Minister Pierre Dreyfus and Minister of National Solidarity Nicole Questiaux resigned Tuesday, according to Michel Vauzelle, a presidential spokesman. The resignations were the first from the French Cabinet since the Socialists came to power more than a year ago.

Mr. Dreyfus, 74, had been expected for some time to resign because of ill health. His portfolio will be added to that of Jean-Pierre Chevènement, minister of scientific research and technology.

Mrs. Questiaux, 52, was widely reported to have resisted sharp expenditure cuts ordered by President François Mitterrand to reduce a heavy deficit in the social security budget. Pierre Bérégovoy, Mr. Mitterrand's chief of staff, has been appointed minister of social affairs and national solidarity, Mr. Vauzelle said.

Labor Minister Jean Auroux will report to the new ministry headed by Mr. Bérégovoy. Jean Le Garrec, secretary of state in charge of nationalizations, assumes a new function as minister in charge of employment, Mr. Vauzelle said.

Political sources said the changes were in response to the government's declaration earlier this month of a four-month wage and price freeze, a devaluation of the franc and the spending limitations.

The audit of the AID funds has still not been completed, according to a former member of the Court of Accounts.

A U.S.-educated economist who has studied the court's audit said, "Given the quantity of money AID provides, any future allocation should be stopped until completion of the audit."

AID has given about \$52 million in grants and loans for El Salvador's land redistribution effort, according to a U.S. Embassy spokeswoman.

AID officials in El Salvador declined to be interviewed, but the embassy spokeswoman said that there were "all kinds of safeguards and accountability." She added that she had been told by an AID officer that the "controls are about as strict as we can possibly impose."

The auditors found in a category that ISTA labeled as social costs "doubtful investments, exaggerated expenses, others improper, some laughable, and others not legally admissible from an accounting point of view."

About a third of the agency's social costs, or some \$200,000, went for "security," according to the audit. Leaders of farm cooperatives and ISTA administrators have charged that many cooperatives are forced to pay tribute to local military commanders. The money, they have said, is used to supplement soldiers' salaries and for vehicle maintenance, and nearly all has been paid by cooperatives in areas where there is no serious guerrilla threat.

The auditors also found that some of ISTA's investments and expenses have benefited private farms, not peasant cooperatives.

A former deputy director of ISTA, Leonel Gómez, said in a telephone interview from Washington, where he now lives, that in March, 1980, the "first thing we told AID, the first thing we wanted to computerize and centralize the accounting system."

"We told them," he added, "we would not be able to account for the millions of dollars" that they were giving for the agrarian program. He characterized the accounting system as "a mirage."

In January, 1981, ISTA's president, José Rodolfo Viera, was assassinated in San Salvador, along with two American advisers to the land redistribution program, Michael Hammer and David Pearlman.

Mr. Gómez, who was Mr. Viera's deputy, repeated in the recent interview his belief that one reason that Mr. Viera had been killed was that he had been intending to expose mismanagement and corruption within ISTA.



CAPTURED ISRAELI — With Palestine Liberation Organization guards flanking him, Aharon Achiaz, an Israeli pilot who was shot down over Lebanon on June 6, waits in his cell in Beirut. The PLO said the pilot is being held twice by Israeli raids.

Egyptian Aide Says Lebanon Crisis Will Radicalize Palestinian Cause

By Eric Pace

New York Times Service

CAIRO — The Palestinian movement will become more radical as a result of the Lebanon crisis, according to a key adviser to President Hosni Mubarak.

The adviser, Osama Baz, also said the extent of this radicalization would depend largely on Washington's attitude.

He criticized Secretary of State Alexander M. Haig Jr., saying U.S. foreign policy had been haphazard and disconnected, and he predicted that the military operations of Palestinians, and the Palestinian guerrilla movement in general, would become more radical — and so, he said, would political currents across the Arab world.

"If the United States continues to appear as though it is endorsing or at least tolerating the Israeli as-

sault on Lebanon and the Palestinians," he said Monday, speaking in English, "and if the line which had been pursued under Secretary of State Haig continues, then the radicalization of the Palestinian movement is certain to be great."

'More Sensitive'

It can be minimized, he said, "if the United States becomes more sensitive to the feelings of the Arabs and to the human suffering that has been inflicted upon hundreds of thousands of civilian Lebanese and Palestinians."

As for George P. Shultz, who has been nominated to succeed Mr. Haig, Mr. Baz said: "We wish him good luck. We are not asking him to be biased toward the Arabs. We are asking the United States administration to be evenhanded."

Iraq Says Last Troops Withdrawn From Iran

Reuters

BEIRUT — The last Iraqi soldiers left Iran Tuesday, pulling back to the international border and ending their 21 months of occupation of Iranian border areas.

An Iraqi armed forces statement said Iraqi troops had completed a unilateral withdrawal, promised nine days ago in the hope of bringing Iran to the negotiating table

and winding up the long and costly conflict.

The statement said the Iraqi Army was now on full alert on the border and warned Iran against opening fire on Iraqi units or threatening Iraqi territory.

"Iraqi forces are fully prepared to teach them a cruel lesson if they continue in the error and try to detract from Iraq's sovereignty," the statement added.

Thin Slices

The Iraqi withdrawal restored to Iran the border towns of Qasr-e-Shirin, Mahran and Sumar, as well as thin slices of the western Iranian provinces of Kermanshah and Ilam.

It followed a series of successful Iranian offensives and intensive efforts by Baghdad to extract itself from a military stalemate.

Iraq, which is about \$25 billion in debt to neighboring Arab states, has encouraged mediation attempts by the Islamic Conference Organization, the nonaligned movement and the United Nations. None of these efforts has borne fruit.

Despite President Hussein's close association with the war, he and most of his aides appear to have maintained their political positions at home.

They emerged unscathed from purges in the ruling Revolutionary Command Council and the Politburo of the dominant Ba'ath Party Monday and the day before.

Seven members of each body lost their jobs, but these were mainly little-known figures. President Hussein was unanimously re-elected secretary of the party's regional command.

Iraq Accused of Lies

LONDON (Reuters) — Iran said Tuesday that Iraq had lied in reporting the withdrawal of its troops from Iranian territory.

Hojatollah Hashemi Rafsanjani, the speaker of the Majlis, or parliament, and a member of Iran's Supreme Defense Council, told Tehran radio: "They are telling lies. The situation is the same and border areas in the west are still in the hands of Iraqis."

Polish Media Lash Out at Union Anew

Solidarity Called 'Lid' Covering Underground

The Associated Press

WARSAW — Poland's state-run news media carried sharp new denunciations of Solidarity on Tuesday, saying that a revival of the suspended independent union might camouflage an underground campaign that has emerged under martial law.

The official press had avoided direct negative comment on Solidarity for several weeks, and the union seems to have toned down some of its underground publications as well.

Solidarity, the first independent labor organization in the Soviet bloc, has issued a series of leaflets and underground papers since it was suspended in the martial law declaration of Dec. 13.

The government spokesman, Jerzy Urban, stressing that his remarks reflected his own opinions and not those of the government, said in the week of publication. Here and Now that a revived Solidarity is "being conceived as a lid covering the political underground even before it has come into being."

"A renewed Solidarity would serve as an alternative to a civil war since a change of the country's political system is the aim to be achieved by both means," he said.

The Same Theme

The Communist Party daily Trybuna Ludu followed the same theme. In a commentary, it said that Solidarity opposed "normalization" or the easing of martial law rights and peace and quiet because that would "undercut the roots of their underground existence."

"They will not content themselves with a compromise or accommodation, for struggle is their aim, while a reinstatement of the union movement would merely serve as an opening stage of the struggle with the state," the paper said.

The commentaries appeared amid speculation and rumors of an impending easing of martial law restrictions. But they appear to signal that the authorities are in no hurry to come to terms with the union.

Mr. Urban's comments could reflect the thinking of prominent officials, while the Trybuna Ludu commentary might serve as a warning to the leadership against some sort of agreement with Solidarity before the time is right.

The timing of the commentary may also signal that another Communist Party Central Committee meeting is coming soon. Press attacks against Solidarity and its leader, Lech Walesa, tend to intensify just before the party meets.

PLO Stalling, Israel Claims

(Continued from Page 1)

lice force, lightly armed, to administer Palestinian refugee camps in Beirut, and an Israeli withdrawal of a few kilometers to accompany the PLO's surrender and departure. The only matter that Israel is willing to discuss, Israeli officials emphasized, is the route that guerrillas will take out of Lebanon after surrendering their arms.

Their destination, the high official said, is up to Arab or other countries that prove willing to receive them. The same official said last week the guerrillas would not be allowed to go to a country bordering Israel. But the Cabinet on Sunday discarded that condition, apparently convinced that Jordan, Syria and Egypt — the three countries that along with Lebanon border the Jewish state — will impose tight controls on any guerrillas that take refuge on their soil.

Based on past experience, this conviction seemed likely to be borne out. The Jordanian Army regularly patrols the Jordan River frontier to prevent guerrillas from infiltrating into the Israeli-held West Bank — even though King Hussein still claims the area does not belong to Israel.

Although it backs the PLO and sponsors the Saiga commando organization under the PLO umbrella, Syria has traditionally imposed tight controls on Palestinian fighters in Syria. As for Egypt, it has signed a peace treaty with Israel under whose terms it is obliged to refrain from allowing hostility against Israel from Egyptian soil.

Soldiers Oppose Invasion

TEL AVIV (AP) — Four Israeli soldiers who fought in Lebanon told a news conference Tuesday that they did not believe the Palestinian guerrilla problem could be resolved by force.

The four — a captain, two sergeants and a private — said they opposed Israel's invasion of Lebanon on moral and political grounds. They also published a petition in the daily newspaper Yedioth Ahronoth with 40 signatures of soldiers who fought in Lebanon.

"We at the front felt that we were betrayed," said Sgt. David Urbach, a movie-maker in civilian life. "We were given a mission that is morally very hard to carry out. We did our duty as soldiers and now we feel we are doing our duty as civilians by protesting."

They said they had no political affiliations. The four are reservists who were called up when the invasion was launched June 6. They were discharged when the army began sending the first wave of reservists home.

WORLD BRIEFS

Soviet Space Station Seeks Galaxies

MOSCOW — The Soviet-French crew on board the space station Salyut-7 carried out biological experiments Tuesday and began an attempt to trace distant galaxies.

The experiments, designed by French and Russian scientists, included monitoring the activity of micro-organisms in weightless conditions and the effect of antibiotics on them, the news agency Tass reported. The hunt for galaxies used special cameras with highly sensitive film that can register the radiation of weak galactic and intergalactic sources.

The three-man crew blasted off from earth last Thursday and linked up with Salyut-7 the following day. The space station has been manned by two cosmonauts for the past two months. French cosmonaut Jean-Loup Chrétien is due to return to earth with his two Russian teammates on Friday.

Soviet Faster Told He Can Emigrate

MOSCOW — Josef Kibilitsky, a Soviet artist who staged a 36-day hunger strike for the right to join his wife in West Germany, said Tuesday that he had been told by the authorities that he would be allowed to leave.

Mr. Kibilitsky, 36, who is married to a West German schoolteacher, gave up his fast on June 16 after being informed he would not be granted an exit visa despite the protest. He said emigration authorities had given him no reason for the change of heart at a meeting Tuesday.

Mr. Kibilitsky was one of six persons in the self-styled "divided families group" who began a hunger strike May 10 to press for the right to join spouses in the West. Five of the protesters have since been promised exit papers and one of them has already left. The sixth, a Lithuanian woman named Maria Jurgutienė, ended her fast earlier this month after the secret police sent her back to Lithuania.

Yugoslav Communists End Congress

BELGRADE — Yugoslavia's ruling Communist Party wound up its four-day congress Tuesday by urging a new collective leadership to strictly implement Tito's legacy of nonalignment and workers' self-management.

The 12th congress, the first since Tito's death in 1980, dissolved old party bodies and approved the new leadership that was elected earlier this year by congresses of Yugoslavia's six constituent republics and two autonomous provinces. Much of the focus of the congress was on the economy and incidents of extreme nationalism.

At its closing session, which was broadcast live over radio and television, the congress adopted resolutions on the future development of the party and the country in the next four years. Resolutions were passed reaffirming the country's unique brand of self-managing Socialism at home and the policy of nonalignment in international relations.

EEC Review May Slow Spanish Entry

BRUSSELS — Spanish and Portuguese hopes of early entry into the European Economic Community suffered a setback Tuesday when leaders of the 10 member governments adopted a delaying measure initiated by France.

The EEC decided during their two-day summit to order the executive committee to look into the consequences of Spanish and Portuguese entry. Spain and Portugal hoped to join at the start of 1984. Diplomats said the move was certain to delay Spanish entry.

The diplomats said French President François Mitterrand's insistence on a thorough review of enlargement at a late stage in negotiations was broadly supported by all members except Britain, the Netherlands and Belgium. France argues that the rapid entry of Spain, and to a lesser extent of Portugal, would create stiff competition for its Mediterranean producers of fruit, vegetables, wine and edible oils.

Argentina Releases British Newsmen

BUENOS AIRES — Three British journalists who were jailed on spy charges for 77 days during the Falkland Islands conflict arrived Tuesday in Buenos Aires and were reportedly planning to leave for London.

Jan Mather and Anthony Prime of The Observer, and Simon Winchester of The Sunday Times, arrived on an overnight flight from southern Argentina where they had been held in jail. A spokesman at the Swiss Embassy here said the men were picked up at the airport by Swiss diplomats.

The three journalists were in the embassy residence and hoped to leave Buenos Aires for London "as soon as they can," the spokesman said. The journalists were released from jail early Monday. They had been held since mid-April.

Compiled From Agency Dispatches

Kremlin May Have Decided To Build Own Compressors

(Continued from Page 1)

businessmen here, their firms were expected to supply equipment for 130 compressor stations on the five domestic pipelines. They are also contracted to build 42 compressor stations on the export pipeline.

The new American sanctions primarily affect European companies manufacturing gas turbine blades under license to General Electric. The blades compress natural gas at stations along the pipeline. The largest Soviet turbines operate at the capacity of the GE 25-megawatt turbines.

Firms affected are AEG of West Germany, the Italian state-owned Nuovo Pignone, Alstom-Alcatraz of France and John Brown and Co., a British engineering firm.

Business sources here said that the Soviet Union wants to produce a new generation of turbines. Two and possibly four models are reportedly being tested in Leningrad, and Tass said recently the Soviet 25-megawatt turbines are 1½ times more efficient.

The six-pipeline complex is the Kremlin's key export project of this decade. Apart from securing a steady source of hard currency with the export pipeline, the five other pipeline trunks are designed to increase the use of plentiful natural gas in the Soviet Union and thus slow the rise in oil consumption.

Western businessmen here have called Mr. Reagan's move unethical and have voiced fears that the decision would ruin their chance in the Soviet market for many years. The Kremlin has warned the Western companies that if they fail to meet their contractual obligations they would be assessed enormous penalties.

A senior Soviet official boasted to Western newsmen last week that the export pipeline would be completed on schedule despite the American action. Observers here believe that the Soviet Union would live up to its word because this has become a matter of prestige as well as of hard currency.

To do so, however, the Kremlin may have to delay other projects, including possibly the construction of the domestic gas lines.

While other firms supplying U.S.-designed turbines rely on American rotors, the French firm can make them under license. It could theoretically supply Soviet needs, but to do so would require a new plant.

Reagan to Talk to Press

The Associated Press

WASHINGTON — President Reagan will hold a news conference, his 11th since taking office, on Wednesday at 8 a.m. EDT in the White House East Room, deputy White House press secretary Larry Speakes said Tuesday.

In possibly a related move, Western diplomatic sources reported Tuesday night that the Soviet Union has told several Western European governments that it plans to reduce telephone links with Western Europe beginning Thursday.

According to diplomats, lines with West Germany would be reduced from 42 to 16 and lines with Britain from 46 to 14. Austria has already announced its notification, but also to be cut are lines to Italy, France, Belgium, the Netherlands and Scandinavia.

U.S. May End Grain Pact

(Continued from Page 1)

continuing grain sales, which primarily benefit U.S. farmers.

President Reagan, for example, lifted the grain embargo imposed on the Soviet Union by former President Jimmy Carter after Moscow's troops intervened in Afghanistan. But last week, he extended U.S. trade sanctions against the Soviet pipeline to cover European subsidiaries and affiliates of U.S. companies, a move that has brought angry reactions from the allies.

As a result, the State Department is arguing that only by allowing the Soviet-U.S. grain agreement to lapse can the United States appear consistent.

A White House official maintained Monday that the grain and pipeline issues are different, however.

"Grain is a hard currency earner for the United States," he said, "while the natural gas [through the pipeline to Western Europe] will be a hard currency earner for the Soviet Union."

The current agreement provides that the Soviet Union must buy at least 6 million tons of U.S. grain, roughly half corn and the other half wheat, and a maximum of 8 million tons, on U.S. private grain markets.

If Moscow wants more, it must get U.S. government permission, which may or may not be given depending on the amount of grain available in U.S. silos.

In December, after the military crackdown in Poland, Mr. Reagan ordered that negotiations toward a new grain agreement be suspended. They have not been resumed, so no significant different terms are likely to be agreed to before the end of September.

The practical options for the administration are to ask a one-year extension, with perhaps slightly different minimums and maximums, or to allow the agreement to lapse.

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Perceived Interference Played a Major Role in Haig's Decision to Quit

By Bernard Gwertzman

WASHINGTON — Secretary of State Alexander M. Haig Jr.'s disagreements with Defense Secretary Caspar W. Weinberger and Vice President Bush over how much to criticize Israel for its actions in Lebanon do not seem to have played as big a role in his resignation as his concern that others were interfering in his ability to manage foreign affairs.

White House officials contend that Mr. Haig never was challenged as the prime policy-maker during the crisis in Lebanon, but that he was repeatedly upset by what he regarded as personal slights or infringements of his power.

Department aides assert Mr. Haig had some grounds for being unhappy with the way Middle East policy was being conducted, and Mr. Haig himself has refused to discuss the reasons for his resignation.

Departure Expected Thursday
Mr. Haig is still conducting policy as secretary of state even though George P. Shultz has been designated as his successor. But White House officials said they believed Mr. Haig would formally give up the office Thursday, turning the department over to Deputy Secretary Walter J. Stoessel Jr. until Mr. Shultz's nomination is confirmed by the Senate. That is not expected before late next month.

Mr. Weinberger and Mr. Bush are known to believe that the United States should take a more critical position on Israeli actions in Lebanon than Mr. Haig has recommended. But in discussing Mr. Haig's unhappiness with White House officials, some of his aides pointed to his concern that signals were being sent to the Arab world from the White House about the Lebanese situation that were different from those from the State Department.

Specifically, they said Mr. Haig was initially upset last week when he learned from Philip C. Habib, the special Middle East envoy, that the Saudi Arabians were asserting in Beirut that William P. Clark, the national security adviser, had assured the Saudi ambassador in Washington, Faisal Alhagel, that the United States had obtained Israel's agreement to withdraw its forces about three miles from Beirut.

This troubled Mr. Haig because he was telling the Saudi Arabians at the same time that the United States could not guarantee Israel would not invade West Beirut and that the only way to prevent an attack was to end the Palestinian Liberation Organization's military presence in the Lebanese capital. If Mr. Clark had indeed told Mr. Alhagel the Israelis would pull back, this would serve to encourage the PLO to resist the pressure being put upon it.

Interviews with White House and State Department officials have now produced a version of events that does not substantiate the "two-channel" theory.

On Friday, June 18, Mrs. Alhagel, the wife of the Saudi envoy, paid a call on Mr. Reagan's wife, Nancy, to bring a letter signed by the wives of six Arab ambassadors in Washington calling for an end to the bloodshed in Lebanon. Mrs. Reagan asked Mr. Clark to attend the brief meeting, and he notified the State Department, which offered no objections.

Mr. Clark has contended that as a rule he does not meet with foreign ambassadors so as not to undercut the State Department. But after Mrs. Alhagel left, her husband telephoned and asked if he could see Mr. Clark on Saturday morning. White House officials said Robert C. McFarlane, Mr. Clark's deputy, checked with Nicholas A. Veliotis Jr., assistant secretary of state for Near Eastern and South Asian affairs, who said he had no problem with the meeting.

Mr. Alhagel expressed concern about the pending visit of Prime Minister Menachem Begin of Israel to Washington that Monday to see President Reagan, and Mr. Clark, according to the White House, expressed hope Mr. Begin's visit would lead to a settlement in Lebanon. They also discussed



Alexander M. Haig Jr.

plans made by Mrs. Alhagel to picket the White House on Wednesday in support of the Lebanese people. Mr. Clark said he hoped the meeting with Mr. Begin would make it unnecessary for Mrs. Alhagel to do so.

On Tuesday, June 22, while Mr. Begin was still in Washington, Mr. Alhagel went to see Mr. Clark to tell him his wife would not picket and to express hope a coalition formed by Lebanese leaders would produce a lasting settlement. He also suggested the United States deal directly with the PLO. Mr. Clark said the United States was able to communicate effectively with the PLO through Saudi Arabia.

Saudi Denial

Last Thursday, the day Mr. Haig told Mr. Reagan he was thinking of resigning, Mr. Habib informed Washington of the reports that Mr. Clark had given assurances of an Israeli withdrawal. When Mr. Veliotis asked him, Mr. Clark denied he had given such assurances to the Saudi envoy.

The State Department was later told by the Saudi Arabians that they had never passed such information to the Lebanese and the PLO, and that it was a "rumor" that had grown in Beirut.

Mr. Haig himself met with Mr. Alhagel last Wednesday and reportedly told him the United States saw no way out of the situation except for the PLO to pull back. The Saudi envoy urged the United States to bring about an Israeli withdrawal. This led some administration officials to speculate that the story of the discussion with Mr. Clark might have been a fanciful report from the Saudi Embassy. The Saudi ambassador did not reply to a request for amplification of his meeting.

White House and State Department officials said Mr. Veliotis told Mr. Haig he was convinced Mr. Clark was telling the truth about the exchanges with the Saudi envoy. They said Mr. Haig seemed to accept this version at the time. Subsequently, however, Mr. Haig expressed doubts to others about what Mr. Clark was doing.

Expecting Guilty Verdict, Hinckley Wrote Speech on 'Love'

By Laura A. Kiernan

WASHINGTON — John W. Hinckley Jr. says he was shocked last week when a jury found him not guilty by reason of insanity in the shooting of President Reagan, and had prepared a four-page speech to read in court on the day he thought he would be sentenced.

"I thought for sure I would be convicted because of the pressure the jury would be under to return a guilty verdict," Mr. Hinckley said during three telephone interviews from St. Elizabeths Hospital for the mentally ill, where he is now confined.

He said during the conversations Saturday and Sunday that he believed he was insane when he fired on Mr. Reagan and three others, that he takes the blame for the shootings and that he now feels "really sorry" for presidential press secretary James S. Brady, who was wounded in the head and permanently injured.

If doctors at St. Elizabeths decide that he is well, Mr. Hinckley said, he wants to leave the hospital. But that decision is up to U.S. District Court Judge Barrington D. Parker, who presided at Mr. Hinckley's trial.

The 27-year-old presidential assailant said he had seen news reports about the public outcry over the jury's verdict, but he emphatically denied that he "beat the rap," as one newspaper headline had said.

"I'm not walking out on the street. I'm in a hospital with bars on it. They act like I'm out free. It's not that way at all," Mr. Hinckley said.

Mr. Hinckley, polite and casual during the three conversations, said he was pleased with his quarters at St. Elizabeths, in Southeast Washington. As soon as he arrived at the hospital last Tuesday, Mr. Hinckley said, people began asking for his autograph.

Mr. Hinckley's comments marked the first time he has talked with a news reporter since his arrest immediately after the shooting on March 30, 1981. Mr. Hinckley did not testify at his eight-week trial — which ended with the jury's verdict on June 21. He said Sunday, "I kind of did want to testify," but, he said, his attorneys felt otherwise.

A man identifying himself as Mr. Hinckley first called The Washington Post on Saturday afternoon and asked to speak to a reporter, who was not in at the time but he was asked to call again that evening. The interviews took place during that call and two others.

Calls Not Authorized

The caller was able to answer specific questions about Mr. Hinckley's family, his personal life and his confinement at St. Elizabeths that were asked to verify his identity.

Mr. Hinckley's chief defense lawyer, Vincent J. Fuller, said

Monday that the telephone calls were made without the knowledge of Mr. Hinckley's attorneys.

Wayne Pines, a spokesman for the National Institute of Mental Health, which runs St. Elizabeths, said Monday that Mr. Hinckley's calls to the reporter were not authorized by the hospital and that his use of the phone is now being strictly supervised. Mr. Hinckley's telephone calls were supposed to be limited to his family and his lawyers, Mr. Pines said.

Mr. Hinckley said that he is now waiting to see what the doctors at St. Elizabeths will submit to the court by Aug. 2.

Mr. Hinckley, who is being evaluated by a team of psychiatrists, psychologists and social workers, said he spoke with doctors at St. Elizabeths within an hour after his arrival there on Tuesday night.

Judge Parker has scheduled a hearing on Aug. 9 to determine whether Mr. Hinckley is entitled to release from the hospital if he is no longer a danger to himself or others.

Mr. Hinckley said that if the doctors' report is "very negative," he might just waive his right to a hearing on release. But if the doctors determine he is well and no longer dangerous, Mr. Hinckley said, "I'm going to walk out the door whether the public likes it or not." He said he knew that if he is released, "the public is going to go crazy even more than they did" after the verdict.

Asked if he thought he was ready to be released from the hospital, Mr. Hinckley hesitated, then said, "That's a hard question...."



John W. Hinckley Jr.

"I certainly would not be a danger to myself and I don't honestly think I've been a danger to society.... I certainly would not be a danger to the president. I'll say that for sure," Mr. Hinckley said.

Mr. Hinckley went on to say he thought there was "only one person there might be a problem with.... I don't know if you've ever heard of her," he said. That person was actress Jodie Foster, he said.

"I don't think I would go stalking after her," Mr. Hinckley said. "If we were in the same room, there might be some problem."

During Mr. Hinckley's trial, there had been extensive testimony from defense psychiatrists, who told the jury that Mr. Hinckley was obsessed with Miss Foster. He

pursued her with telephone calls and love notes in the months before he wounded Mr. Reagan, Mr. Brady, U.S. Secret Service agent Timothy McCarthy and police officer Thomas K. Delahanty outside the Washington Hilton Hotel.

When asked this weekend why the shooting happened, Mr. Hinckley said, "I just wanted at that point to just turn Jodie Foster's life upside down. I mean just turn it just upside down."

"Something Snapped"
Mr. Hinckley said that on the day of the shooting, "I was at the peak of this madness I had been on for months and months and months.... Something just snapped.... I didn't care what happened."

He said he knows that he did not appreciate the wrong he was doing because of his reaction when he saw Mr. Brady, severely wounded by a gunshot to the brain. Mr. Brady is now permanently disabled.

"He's suffered and his life is not what it should be.... I just want to say I'm very sorry about what I did. He was just at the wrong place at the wrong time.... and I just wish, I just honestly wish I could go back before that shooting.... and let him move two inches out of the way," Mr. Hinckley said.

He added: "I don't feel sorry for Reagan or McCarthy.... I don't know about Delahanty." Of Mr. Reagan, Mr. Hinckley said, "I helped his presidency. After I shot him, his polls went up 20 percent."

Mr. Hinckley said he knew that

Mr. Delahanty and Mr. McCarthy had brought civil lawsuits against him claiming millions of dollars in damages as a result of the shooting.

In his room at St. Elizabeths, Mr. Hinckley said, are a bed, a nightstand and a closet locker — and a picture of Miss Foster taken from a magazine.

'Despite Cheap Shots'

Mr. Hinckley said he was so convinced that he would be convicted of all 13 charges against him that, "I already had my sentencing speech written out."

In the speech, which he first titled "Conviction," Mr. Hinckley recalled, he was prepared to say that he had received a fair trial, "despite the prosecution's cheap shots all the time." He also would have talked about Jodie Foster.

On Sunday night, speaking again from St. Elizabeths, Mr. Hinckley said he wanted to read aloud the last two paragraphs of that speech, which he said he now calls "An Act of Love."

"From the start, all I wanted was for someone to love me. I desperately wanted to be loved, but I never could give appropriate love in return. I seem to have a need to hurt those people I love the most. This is true in relation to my family and Jodie Foster. I love them so much that I have this compulsion to destroy them."

"On March 30, 1981, I was asking to be loved. I was asking my family to take me back and I was asking Jodie Foster to hold me in her heart. My assassination attempt was an act of love. I'm sorry love has to be so painful."

Donovan Pleased and Unsurprised by Finding

By Kathy Sawyer

Washington Post Service

WASHINGTON — With a smile and upturned thumb, Labor Secretary Raymond J. Donovan said he was "extremely pleased and certainly not surprised" that a special prosecutor had found insufficient evidence to prosecute him on allegations of connections with organized crime.

"The special prosecutor has confirmed what I told you all along — that none of these allegations would prove to be true," Mr. Donovan said after the report was received Monday.

His intention now, he said, is "to devote all my time and all of my energies to the task that President Reagan asked me to do 18 months ago."

According to one aide, Mr. Reagan was "pleased as hell" with the report. Mr. Reagan just went through the traumatic resignation of Secretary of State Alexander M. Haig Jr.

When asked at the daily White House briefing whether the president still has full confidence in Mr.

Donovan, the presidential press aide, Larry M. Speakes, responded, "I have not heard him say otherwise." He added later that Mr. Reagan had called Mr. Donovan to express his pleasure.

Several White House officials, however, have expressed the view that Mr. Donovan has become a political liability. They hope he will become aware of this and resign.

Problems Remain
Even some of Mr. Donovan's defenders are concerned that the long-awaited, voluminous report, with its cautiously worded finding of "insufficient credible evidence," will not be enough to lay the problem to rest.

Pending any decision by Mr. Donovan, it appears likely that the labor secretary can survive White House displeasure because Mr. Reagan still believes in him. As the White House counselor Edwin Meese 3d, a defender, quipped last week: "If you've only got one friend in the White House, that's the friend to have."

On Capitol Hill, Sen. Orrin G. Hatch, Republican of Utah and

chairman of the Labor Committee, said he was pleased with the report, but reserved detailed comment until he could read all four volumes. He has recently suggested that Mr. Donovan should resign.

"As I've expressed many times, the secretary should be given the benefit of any doubt," he said. In answer to a question later, Sen. Hatch added that he has no apologies. "I don't think anybody owes anybody an apology," he said.

The Senate committee still intends to look into the FBI's failure to provide information to Congress during Mr. Donovan's confirmation hearings that had been provided to the White House, he said.

One of 12 children in a poor family, the labor secretary made millions by helping to build Schiavone Construction Co. into a major contractor. He attracted the eye of the Reagan presidential campaign by raising more than \$500,000.

Sen. Hatch initially supported Mr. Donovan's controversial nomination, but later joined Sen. Ed-

ward M. Kennedy, Democrat of Massachusetts, as an aggressive investigator.

Mr. Donovan proved to be a fighter. While he spoke out in his own defense — once calling one of his accusers "murdering slime" — his New Jersey construction firm hired its own investigators to investigate the Senate investigators.

Mr. Donovan blamed his problems in part on what he calls the New Jersey syndrome. "If you are in the contracting business in New Jersey, you're indicted, and if you're Italian, you're convicted," he has said.

U.S. Embassy in Kabul Reported Hit by Shots

ISLAMABAD, Pakistan — The U.S. Embassy in Kabul, Afghanistan, was hit by gunfire last week when a truckload of Soviet soldiers stumbled into a battle with a government checkpoint after curfew.

The U.S. mission was among several buildings hit by random exchanges of fire that lasted two hours.

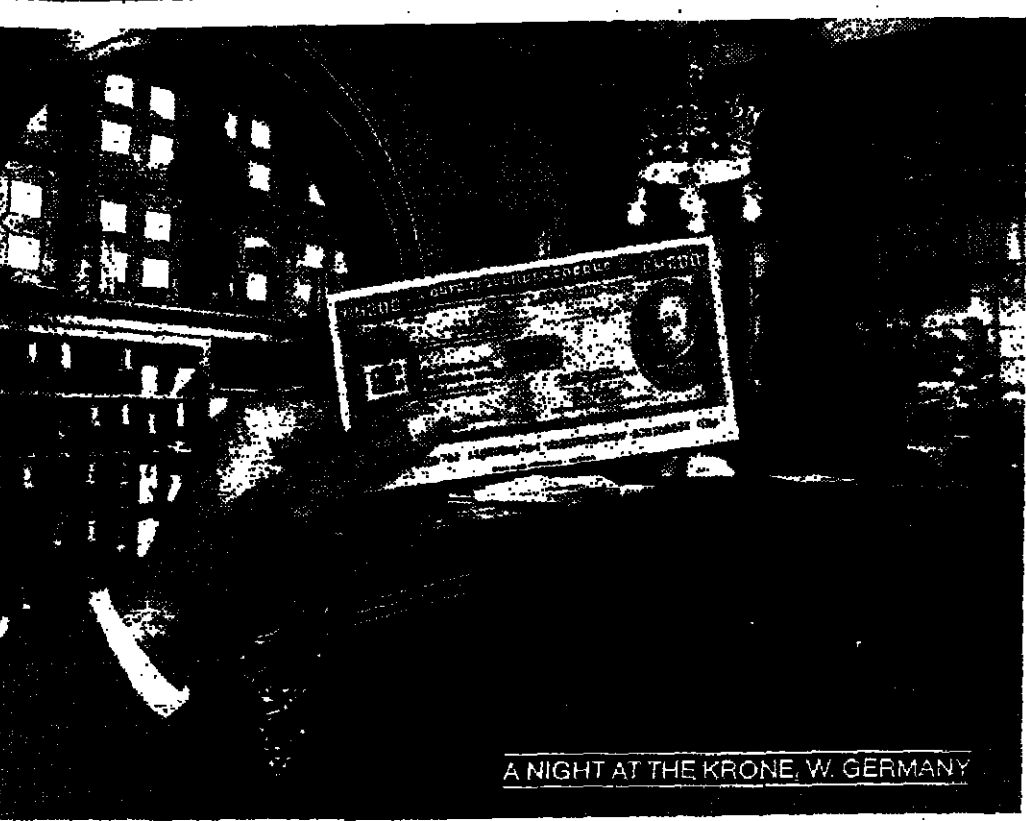
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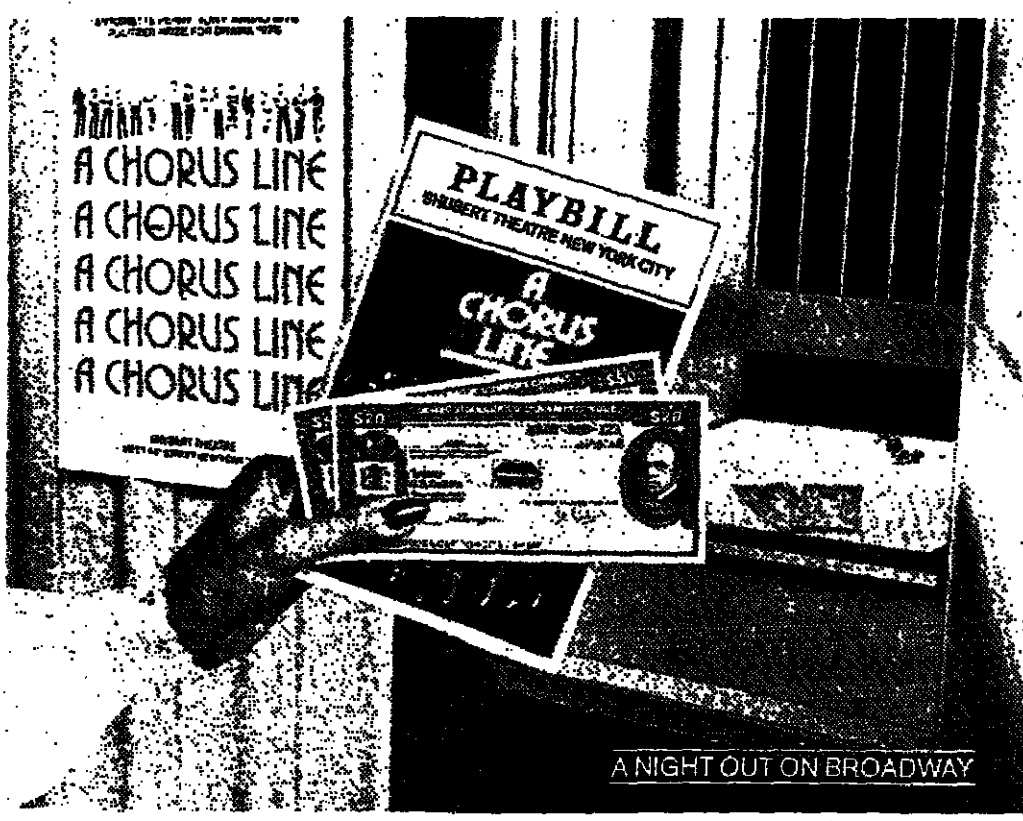
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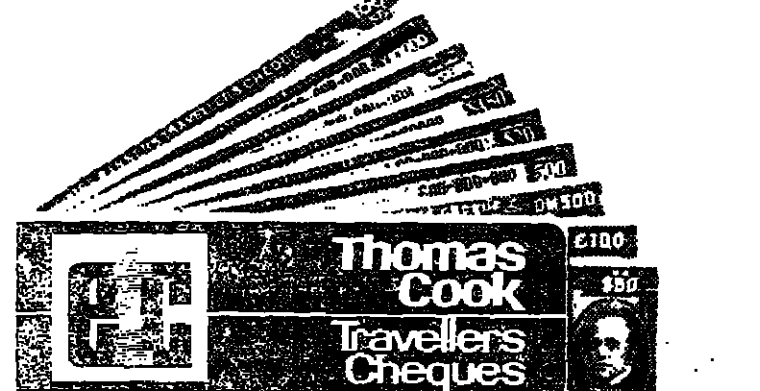
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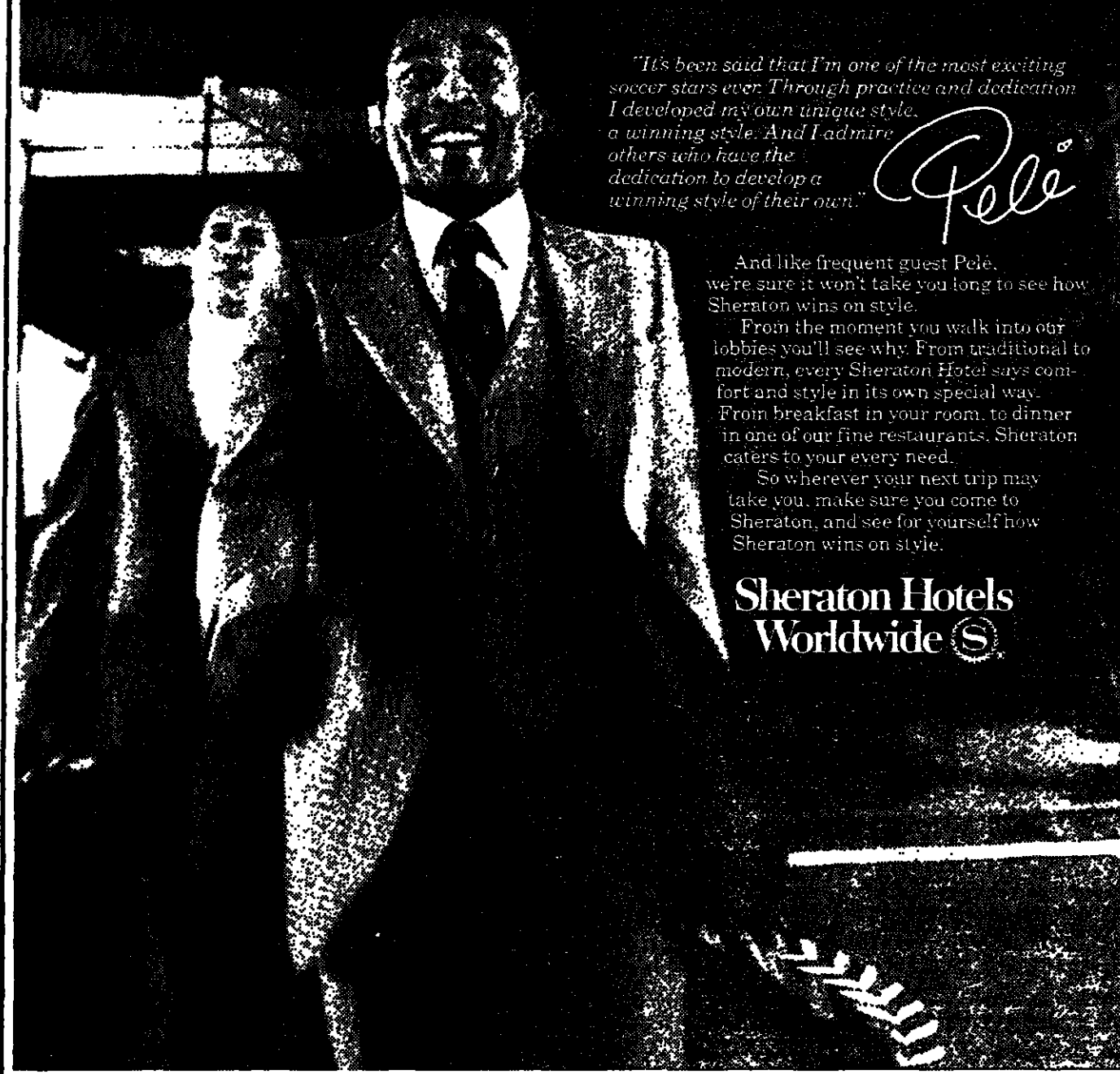
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San Francisco Enacts Pistol Ban

Police, Store Owners Among Those to Be Exempted

By Judith Cummings
New York Times Service

SAN FRANCISCO — The Board of Supervisors has passed a law banning most residents from owning pistols, making this the first large city in the United States to do so. The vote was 6-4.

The ordinance makes ownership of a pistol a misdemeanor punishable by up to 30 days in jail and a \$500 fine. Rifles and shotguns are not included in the prohibition, and exemptions are provided for the police, military and security personnel, gun collectors, private investigators, licensed target shooters and private store owners who obtain permission from the police.

The law will take effect 30 days after it is signed by the Mayor, Diane Feinstein. Pistol owners then have 90 days to dispose of their weapons.

The ban was proposed in February by Mrs. Feinstein, who assumed office after the handgun killings of Mayor George Moscone and Supervisor Harvey Milk by a former supervisor, Dan White, in 1978. The killings, which took place in City Hall, are widely credited with helping bring about some form of stronger firearms control.

Challenge Expected

The ordinance is virtually certain to be challenged by opponents who contend that only the state of California, not local governments,

can regulate firearms. The National Rifle Association, the measure's major foe here, plans to file a suit seeking to overturn the new law, said Paul Stone, the group's national spokesman.

Even the law's strongest advocates maintain that it may be primarily symbolic. Mrs. Feinstein, conceding the difficulty of enforcing the law, called the ban's passage Monday a barometer of public discontent over gun-related crimes and of public frustration over the failure of state and federal legislators to enact stronger gun controls.

Last week a statewide initiative that would require the owners of all "concealable firearms" in California to register them with the state easily qualified for the November ballot.

The concept of a citywide ban received its first test in the nation last February in Morton Grove, Ill., a suburb of Chicago. Officials there reported that only a few guns had been turned in.

No Raids

Mrs. Feinstein has acknowledged that the San Francisco law's effectiveness will depend on public cooperation. Regarding to contentions by some opponents that the ordinance will lead to illegal searches and seizures of the property of private citizens, the mayor and Police Chief Cornelius Murphy have repeatedly asserted that

there would be no attempt to track down weapons or collect them from people's homes. Mrs. Stone asserted that experience had shown that residents would not relinquish their pistols, and he assailed the ordinance as a law that "will make criminals out of thousands of law-abiding citizens."

City officials say that because California law does not require registration of guns sold second-hand, there is no reliable estimate of the number of pistols in this city of 679,000 people.

In lobbying the supervisors for passage, proponents of the law stressed recent figures that show gun-related crimes on the rise, particularly domestic violence or "gun firings in the heat of violence," while overall crime has decreased.

Lobbying here by the NRA and similar pro-gun organizations was limited. Mr. Stone said the association's major effort consisted of two public meetings. Supervisors on both sides of the issue said they received about equal amounts of mail and telephone calls from the ban's opponents and supporters.

The city council of Berkeley, across the bay from San Francisco, voted 8-1 on June 22 in favor of a ban on pistols. The same day, Oroville, a city of 9,000 north of San Francisco, did the opposite, ordering the city attorney to draft an ordinance that would require a pistol to be kept in every household.

Train Drivers To Call Strike In the U.K.

Compiled by Our Staff From Dispatches

LONDON — A train drivers' union said Tuesday that it would strike Britain's railroads next week. The union made its announcement a few hours after the National Union of Railwaymen agreed to suspend its walkout.

The Associated Society of Locomotive Engineers and Firemen said that it would strike beginning midnight Sunday over British Rail's introduction of a new flexible rostering system. This was a chief cause of a rail strike last January.

Also Tuesday, National Union of Railwaymen representatives called off a strike that had halted most London subway trains since June 21 and brought traffic chaos to the British capital.

Delegates at the union's annual conference in Plymouth voted unanimously for their 12,000 subway drivers and guards to return to work at midnight.

That action came a day after the union suspended a separate strike that crippled the state-run British Rail network. The suspension, which was voted on the first day of the strike, was effective at midnight Tuesday.

To Arbitration

The issue that caused the subway strike, a plan by financially pressed London Transport to cut the number of subway trains and introduce new timetables and work rosters, will go to arbitration.

On Monday, the union instructed its 177,500 members on the national railroad to return to work Wednesday, again pending arbitration of a pay and productivity dispute. But much of the rail network was back on the tracks Tuesday, as three-quarters of the workers returned to work ahead of the official midnight end of their strike.

The board of British Rail, which runs the 11,500-mile network, said that about 25 percent to 30 percent of its workers had defied the strike call Monday and reported for work.

As a result, it managed to run about 500 trains Monday out of the usual daily national total of 15,000, the board said. It said that it hoped to increase the number Tuesday as more employees returned to work.

But many commuting drivers decided on an early start for work Tuesday, not convinced that traffic would be any lighter. The subway strike had been aggravated by scattered sympathy strikes by bus drivers.



A gantry-mounted camera produced a view of the space shuttle being lifted by rocket engines from the launch pad.

Shuttle Astronauts Beat Problems To Carry Out Key Pollution Test

United Press International

CAPE CANAVERAL, Fla. — The space shuttle astronauts overcame trouble with Columbia's mechanical arm on Tuesday and hoisted a pollution monitor to help clear the way for the next flight, on which the ship will hunt satellites for a foe.

The shuttle, in the third day of its fourth and final test mission, now has logged two weeks in space since it started flying last year.

It is beginning to perform as routinely as an airliner. The astronauts, Capt. Thomas (Ken) Mattingly and Henry W. Hartsfield, had difficulty with the computer-controlled operation of the payload-grabbing apparatus on the end of the 50-foot (15-meter) Canadian-built arm. But after more than an hour of troubleshooting with the help of instructions from mission control, they reported they could operate the arm manually.

They used the boom to lift the 800-pound (360-kilogram) gas and particle detector out of the bay to start the last series of contamination surveys around Columbia to look for pollution escaping from the shuttle that might interfere with future cargoes. The work was one of a number of tests that had to be done to clear the way for the first operational mission, set for Nov. 11, when Columbia will haul two commercial communications satellites into orbit for the first time.

The possibility of a delay in the next flight was raised by a space agency announcement that parachute failure was the reason the shuttle's twin solid propellant booster rockets sank in the Atlantic after being jettisoned at an altitude of 31 miles on Sunday.

Kennedy Attacks Reagan's Record To Cheers of NAACP Convention

By Sheila Rule
New York Times Service

BOSTON — Interrupted 35 times by applause from delegates to the annual convention of the National Association for the Advancement of Colored People, Sen. Edward M. Kennedy said President Reagan presides over "the most anti-civil-rights administration" in modern U.S. history.

His message calling for vigilance extending to the ballot box was echoed later Monday evening by Margaret Bush Wilson, chairman of the NAACP board. In her speech, she called for increased political action to battle the "domestic war" against poor blacks and other disadvantaged citizens.

Sen. Kennedy, Democrat of Massachusetts, who was emerging from an enthusiastic reception Sunday at the Democratic national conference in Philadelphia, was greeted warmly as he identified areas in which he said blacks and the poor had been harmed or abandoned by Mr. Reagan.

He congratulated the group for its effort to have the Voting Rights Act of 1965 extended.

"The only way that real change will truly come is by choosing representatives who fully share our goals," he said. "Across this land, let us act on the instruction of this

convention: 'Elect we must — leadership we can trust.' We will wage the same fight for racial justice on every front, against the most anti-civil-rights administration in the modern history of this land."

Sen. Kennedy, a probable candidate for the Democratic Party's 1984 presidential nomination, attacked Mr. Reagan for his appointments to civil rights posts, his cuts in educational and social programs, and his stands on affirmative action, the economy, Haitian refugees, human rights, arms control and tax exemptions for racially segregated schools.

"How dare anyone say that no one is hurting?" asked Sen. Kennedy. "You can see the hurt on the faces of the unemployed." In a phrase he used in a speech at his party's midterm convention during the weekend, he added, "The Reagan cheese lines of 1982 are as unacceptable as the Hoover bread lines of 1932."

As he concluded, delegates rose in an ovation, then linked hands and sang "We Shall Overcome." They were joined by Sen. Kennedy, his son Patrick, Mrs. Wilson, and Carlton Gray, grandson of Benjamin L. Hooks, executive director of the association.

Later this week, the 3,000 delegates to the 73d annual meeting

will be addressed by former Vice President Walter F. Mondale, another likely Democratic presidential candidate.

In Mrs. Wilson's prepared remarks, she attacked the administration, Congress and the judiciary for what she called their "ideological war" against the disadvantaged. She also said that the duty of blacks and the association is clearer than it has been in years, and the weapon is the ballot.

The delegates unanimously passed an emergency resolution directing the NAACP to take steps to disavow attacks on the mental capacity of blacks and calling for assurances from the president that racism and discrimination will not be tolerated in the armed services.

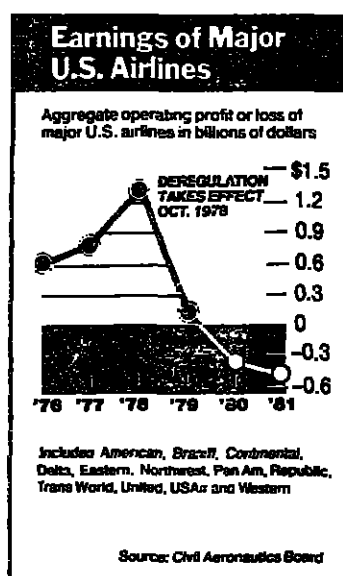
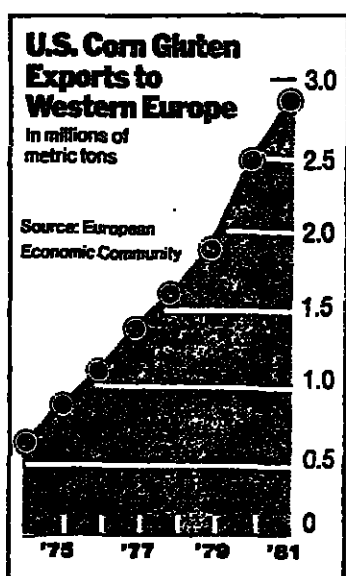
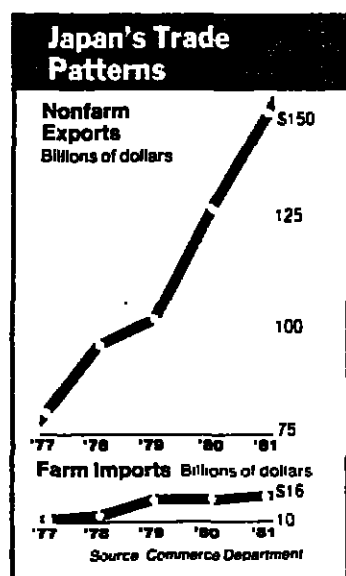
The resolution was largely in response to a report by the Brookings Institution that the nation's all-volunteer armed services had become racially imbalanced, as well as to the problem of discrimination against American soldiers in West Germany.

Milan Bank Haul Is Record

United Press International

MILAN — Armed bandits got away with 4.8 billion lire (\$3.4 million) in cash from a bank here Monday, the largest bank robbery in Milan history.

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مكتبة الأمل

Pierre Balmain, 68, French High Fashion Designer, Dies

Compiled by Our Staff From Dispatches
PARIS — Pierre Balmain, 68, a leading fashion designer, died Tuesday at the American Hospital of cancer of the liver after a two-month illness, his salon said.

Over 37 years, Mr. Balmain made clothes for Queen Fabiola of Belgium and Queen Sirikit of Thailand and such celebrities of the entertainment world as Marlene Dietrich, Sophia Loren, Michele Morgan, Ingrid Bergman and Brigitte Bardot. He also developed a successful perfume, ready-to-wear and accessory business with 130 outlets around the world.

Mr. Balmain reigned at the height of high fashion in the 1950s and 1960s, when a simple rounding of a shoulder or dropping of a hemline by the Parisian couture houses sent shock waves through the clothing industry.

He was born in the Savoy region. His father, a shopkeeper, died when he was 7, and he was raised by his mother. Mr. Balmain studied art and architecture before winning his first job in the Molyneux salon in 1934. He became an assistant designer at the Lucien Lelong salon in 1939 and, after

being demobilized from military service, returned to Lelong in 1941 where he met another young designer, Christian Dior. Together they designed the Lelong collections.

First Collection

In 1945 Mr. Balmain opened his own fashion house in Paris and presented his first collection. He was praised by the press as a sober, youthful and vigorous talent.

Mr. Balmain quickly achieved fame for elegant design, notable examples being a gold-buttoned ermine reefer and white mink trench coat. His clothes were cut and finished of fine fabrics in such a way that they defied passing fads.

Gina Lollobrigida, Jennifer Jones, Claudette Colbert and Vivien Leigh were among the celebrities who ordered his lavish evening gowns, known for decades as the most beautiful in Paris, glittering with hand-embroidered beads and sequins, rich with feathers and lace.

Mr. Balmain expanded his business with a New York shop in 1951 and another in Caracas in

1954, the beginning of Pierre Balmain boutiques around the world.

High fashion clothes began to decline in the late 1960s under the onslaught of the developing ready-to-wear industry with its own roster of big-name designers. Mr. Balmain's creations became less noticed, but he continued to serve private clients as well as producing ready-to-wear.

Mr. Balmain never married. A large, jovial man-about-town, he wore a monocle, sported a black cape lined with red silk in the evenings, and sang in a booming operatic tenor at parties. He also loved to travel.

He owned homes in Elba, Marakesh and Normandy. His art collection included Greek statuettes, 15th-century Chinese terra cotta, and antique vases and bowls.

Final Showing

He finished his final collection for next month's showings while in the hospital and insisted that they be held as scheduled. The designs will be shown July 26, and the Balmain house will continue under another designer yet to be selected, possibly his assistant, Erik Mor-

gensen of Denmark, a salon spokesman said.

Mr. Balmain was awarded the Cross of the Legion of Honor by France and also had decorations from Denmark, Italy and the city of Paris.

He created controversy in the United States in 1961 when he criticized American women for being fashion copycats.

"I think Jackie Kennedy has a very great flair for clothes — very modern and elegant — and she's casual about it," he said. "And I admire her courage to wear only one style of hat. But there is the usual American mistake. Every woman wanting to look like her."

Frank E. Hook

MINNEAPOLIS (NYT) — Frank E. Hook, 89, a one-time iron ore miner who served as a Democratic congressman from Michigan from 1935 to 1943 and from 1945 to 1947, died Monday in Edina, Minn.

Frank O. Hunter

SAVANNAH, Ga. (AP) — Maj. Gen. Frank O. (Monk) Hunter, 87,

a World War I flying ace, died Friday. Flying with the late Capt. Eddie Rickenbacker, Gen. Hunter shot down eight enemy planes. In World War II, he headed the Fighter Command of the 8th Air Force.

Clyde T. Holliday

WASHINGTON (NYT) — Clyde T. Holliday, 70, who produced the first pictures of the Earth from space, died last Wednesday in Arlington, Va. In 1946, he designed, built and launched a satellite that was carried to an altitude of 100 miles (160 kilometers) in the nose of captured German V-2 guided missiles and in U.S. rockets.

Harry F. Mills

LOS ANGELES (LAT) — Harry F. Mills, 68, one of the Mills Brothers, whose popularity withstood changing musical tastes to span more than five decades, died here Monday. He had been ill since he underwent abdominal surgery for removal of a tumor last year.



Pierre Balmain

Until his illness, Harry and his brothers Herbert and Donald had continued to perform both in the United States and abroad. Their hits included "Glow Worm," "Lazy River," "Yellow Bird," "Paper Doll," "You're Nobody 'Til Somebody Loves You," "Bye Bye Blackbird," "Basin Street Blues," "Tiger Rag," and "Cab Driver."

Star Discovery Verifies U.S. Scientist's Theory

By Bryce Nelson

WASHINGTON — Astronomers have identified a new type of pulsating star, a finding that marks an important advance in understanding the structure and evolution of stars, the National Science Foundation has announced.

The new class of star, a pulsating "white dwarf" with a helium surface, is the first to be predicted by theory before its discovery, the foundation said.

Astronomers said Sunday the pulsations would help in understanding the internal composition of stars and how they evolve from normal, "hot" objects into the cold stellar corpses called white dwarfs.

White dwarfs are collapsed, aged stars that are believed to have once been small to moderate-sized, like the sun. In the final stages of their evolution, they collapse into compact but very dense objects.

Very Dense

The newly identified star, which is designated only as "GD358," its number in the astronomical numbering system, has a mass about 60 percent that of the sun but a radius only about twice that of Earth, the astronomers reported.

In fact, they said, it is so dense that a teaspoon of water on the star's surface would weigh several tons.

The star was discovered by Donald E. Winget, 26, an astronomer at the University of Texas, in collaboration with R.E. Nather and Edward L. Robinson, both also of Texas, and Gilles Fontaine of the University of Montreal.

It is situated 30 to 100 light-

years (180 trillion to 600 trillion miles) from Earth and is a near neighbor of the Milky Way. It is far too faint to be seen with the naked eye.

When the star pulsates, it shows measurable variations in brightness caused by regular variations in its temperature. Previously, only white dwarf stars with hydrogen surfaces were believed to pulsate.

"Major Gaps in Understanding"

On May 26, astronomers, using a 36-inch (91-centimeter) reflecting telescope in McDonald Observatory at Mount Locke, Texas, confirmed Mr. Winget's theory that white dwarfs with helium surfaces also pulsate.

Mr. Winget said, "There are major gaps in our understanding of stars in their late middle age and retirement years. We don't yet understand how an ordinary star like our sun becomes a white dwarf."

Mr. Nather said that because white dwarfs are among the oldest stars in the galaxy, their internal structure must contain an archaeological record of the early history of star formation.

He said the finding "can open up other opportunities for exploration of the stellar graveyard and allow us to reconstruct the whole life story of the stars."

"For the first time, we've got a digging tool for going down into the stellar corpses and seeing what they're made of," he said.

The astronomers said the star's surface temperature is about 40,000 degrees Fahrenheit (22,200 Celsius), about three times hotter than the surface of the sun.

Mr. Nather also said the star may be named after Mr. Winget.

Ex-Peace Negotiator Loses Post in Vietnam

BANGKOK — Vietnam's former chief negotiator in the Paris peace talks, Xuan Thuy, has been dropped from the State Council in what Western diplomats in Bangkok said Tuesday was the final stage of his political decline.

But they said it was unlikely that the hard-line Communist and revolutionary, who spent long periods in jail and in the jungle, would have lost his posts as vice president and secretary-general of the Politburo in March.

Mr. Xuan Thuy, in his mid-70s, lost his job on the Communist Party Central Committee at the party congress in March.

The State Council, a collective presidency, is nominally Vietnam's top policy-making body, but most important decisions are made in the party's Politburo, diplomats said.

The Vietnam News Agency named Mr. Xuan Thuy's successor on the council as Huynh Tan Phat, a southerner who was president of the Provisional Revolutionary Government in South Vietnam during the Vietnam War.

Token Role

Mr. Phat, 70, has played a token role in the government in Hanoi since the country was reunited after the war. Two weeks ago Mr. Phat resigned from the Council of Ministers, or Cabinet.

The appointment of Mr. Phat, who is not a member of the Communist Party, as State Council vice-

president was a gentle way of pushing him aside, one diplomat said.

The post of secretary-general went to Le Thanh Nghi, who implemented widely criticized economic policies of the late 1970s. He was dropped from the Politburo in March.

Vu Quang, vice minister of communications and transport, was also named to the State Council, replacing Nguyen Thanh Le.

The State Council changes were announced by the National Assembly at the end of a six-day meeting in Hanoi, the agency reported.

Mr. Xuan Thuy, one of the country's leading propagandists and Communist theoreticians, joined the Ho Chi Minh Revolutionary Youth League when he was 14. He was jailed by the French in 1939 for six years for Communist activities and later, between 1963 and 1965, was North Vietnamese foreign minister, resigning on health grounds.

The 496-member National Assembly, elected in April last year, also made changes in its standing committees, the agency said.

Mr. Quang gave up his post as chairman of the Committee for Youth to become chairman of the Foreign Relations Committee, replacing Nguyen Thanh. Mr. Quang was succeeded by Le Thanh Dao, a National Assembly member.

Vietnam's highest ranking wom-



Xuan Thuy in 1972.

an Communist, Nguyen Thi Dinh, former deputy commander of the Viet Cong Army, was replaced as chairman of the Medical and Social Affairs Committee by Duong Quoc Chinh, chairman of a committee to investigate alleged Chinese war crimes against Vietnam.

One diplomat said, "The loss of her committee post conforms with the recent policy of not giving one person many jobs. It is not a loss of prestige."

Diplomats said the changes in the State Council had little political significance as long as Truong Chinh, its powerful president and the No. 2 Politburo member, retained his post. Mr. Truong was elected by the National Assembly last July.

Sihanouk Expects Singapore to Join In Coalition Aid

SINGAPORE — Prince Norodom Sihanouk, the president of the anti-Vietnamese coalition of Cambodian rebels, said here Tuesday that Singapore will join Malaysia in considering material aid to the non-Communist faction of his government-in-exile after he forms a credible united force.

Before flying to Jakarta, the former Cambodian head of state said that the non-Communist Association of Southeast Asian Nations wanted to see the nationalists with a strong army to balance their major coalition partner, the Communist, Peking-backed Khmer Rouge. The coalition calls itself Free Kampuchea.

This is especially true of Singapore and Malaysia, he said. Indonesia, Thailand and the Philippines, all on the itinerary of his current aid-seeking trip, are other members of the association.

He also said he is planning trips in the near future to Africa, the United States and other Western countries.

Thatcher Will Visit Rome

LONDON — Prime Minister Margaret Thatcher will visit Rome on July 7 for talks with Premier Giovanni Spadolini and other Italian leaders, the British government said Tuesday. Foreign Secretary Francis Pym and the chancellor of the exchequer, Sir Geoffrey Howe, will accompany her.

Head Count in China Is to Begin Thursday

PEKING — China and its billion or so people embark on the biggest census in world history Thursday, with authorities determined to make the head count more accurate than ever despite a long history of census-dodging.

To deal with the country's rapid population growth, the government needs reliable information for its strict birth-control policy and its economic planning.

In the buildup to the census, Peking has been conducting a nationwide publicity campaign stressing the need for a responsible attitude and proper supervision.

About 5.7 million census officers have been appointed to make sure everyone fills in the forms correctly; random checks will be made on 1 percent of households to seek out any errors.

The problem is that China, whose successive rulers have tried to keep close tabs on their people for nearly 4,000 years, has just as long a history of census-dodging.

Despite elaborate precautions this time, many of the old motives for trying to deceive the authorities remain. While it may no longer be true that people will avoid the census for fear of being pressed into some warlord's army, peasants working illegally in cities are unlikely to want to advertise their presence for fear of being sent home.

People in remote areas — 80 percent of the population lives in the countryside — might not want

to reveal a recent death that could lead to a loss of ration tickets. Rural families who have had four children, for example, may be unwilling to disclose this at a time when the government has ordered them to have only one, or two at the most.

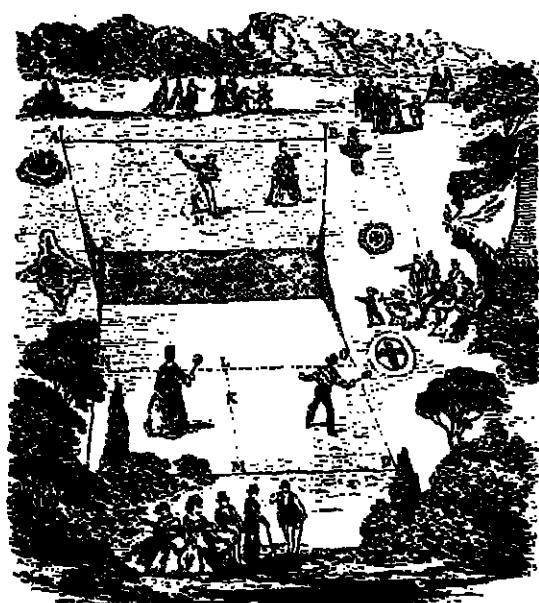
Local officials might also try to tamper with the figures to cover up misreporting in the past, perhaps done to keep taxes lower or receive higher state subsidies. Mao, who regarded a large population as a good thing and was thus partly responsible for China's near-doubling in size since 1949, was skeptical about demographic research and said that such deception was a problem.

The 19-point questionnaire is the most detailed so far and is designed to collect data on ethnic origin, educational level and occupation as well as on births, deaths and marriage.

The exercise will cost China \$200 million, in addition to \$15.6 million provided by the United Nations Fund for Population Activities to buy American computers. The results will not be fully available until 1984.

Li Chengrui, head of the State Statistical Bureau and one of the top organizers of the census, wrote in a government magazine that "people are ready to cooperate with the government in census-taking because they know it will advance economic construction and social progress, and help efforts to raise the standard of living."

How times have changed at Wimbledon.



Tennis before Wimbledon.

Without doubt, the dream of every tennis player in the world would be to become a Wimbledon Champion.

And just as certainly, the dream of a player who has made that aim a reality would be to do it again.

Such is the status and prestige of Wimbledon. The premier tennis championships of the world. Yet the very first tournament of 1877 was rather different in size and spectacle to the event we know today.

The men's final attracted just 200 spectators.

They each paid one shilling to watch the proceedings, and the total profit from the entire event was just £10.

Yet that first inaugural Wimbledon committee were responsible for many innovations and changes.

Ideas which are now permanent features of the game.

The shape and size of the court, and the tennis scoring system are directly attributable to their decisions.

Superficially, Wimbledon today would seem not to have changed.

The cavernous arenas of Centre and No. 1 courts and the perfectly manicured grass look much

as they did in the 1920s.

Yet while Wimbledon has always been very conscious of its traditions, it has always

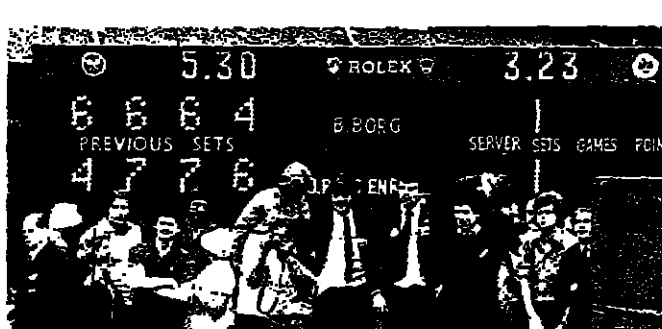
reacted quickly and progressively to the ever-evolving needs of the game and spectators.

And times have changed at Wimbledon.

The Rolex Watch Company of Geneva have been asked to update the entire Wimbledon time-keeping system. Throughout the grounds, 22 clocks have been replaced and the entire system is now controlled to an extremely

high degree of accuracy by radio signals.

On court, the clocks inform spectators of both the time and the duration of the match. But not only



Perfect timing on the Centre Court.

spectators rely on Rolex for perfect timing.

Many of the world's top professionals choose a Rolex Oyster as their own personal timepiece.

Its tough, rugged construction (it takes 162 separate operations to carve an Oyster case from a single piece of metal) provides strong, secure protection for the precision movement against the speed, power and controlled violence of

the modern game.

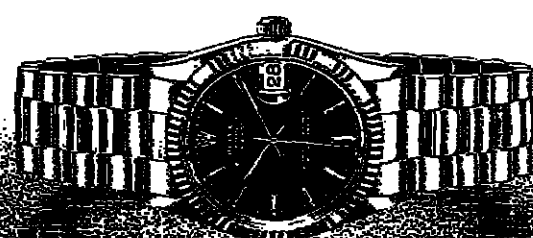
One thing at Wimbledon, however, will never change.

The winner on the day will be the player with determination, strength, and immaculate timing.



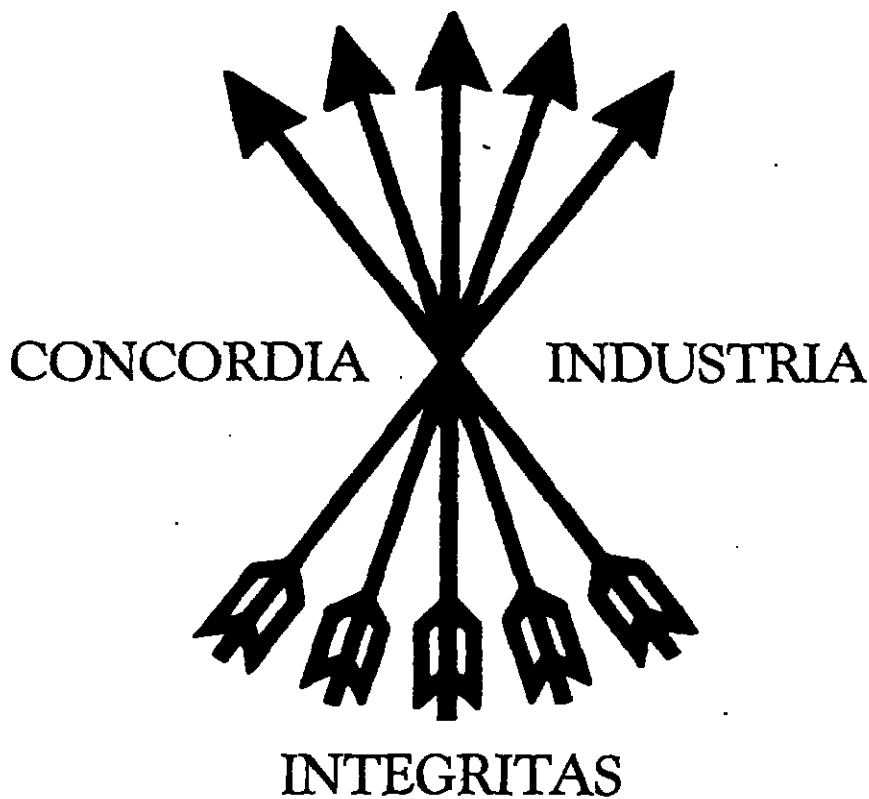
Chris Evert-Lloyd in action.

ROLEX of Geneva



Pictured: The Rolex Datejust Chronometer (682718). In 18ct. gold, steel and gold combination, or stainless steel, all with matching bracelet. Watch shown actual size.

JUNE 1982



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ARTS/LEISURE

'Veronika Voss' Lacks Suspense

By Thomas Quinn Curtis
International Herald Tribune

PARIS — The 1971 Rainer Werner Fassbinder penultimate work, "Die Sehnsucht der Veronika Voss" (The Yearning of Veronika Voss) received the first prize Golden Bear at the 32d Berlin festival, a jury verdict that may raise some eyebrows.

Shot in black and white to match its early 1950 setting, it is stuffy, old-time melodrama that borrows from "Sunset Boulevard" and Fritz Lang's hair-raising Dr. Mabuse series.

Its heroine is a faded star of the German cinema trying to cope with evolution of tastes. Beset by declining popularity, advancing years and hallucinations of her glamorous past, she falls into the clutches of a pack of quacks who drug her with morphine in a sinister clinic. A journalist she chances to meet learns of the malpractice and would bring her parasite persecutors to justice. They, alarmed, connive to finish off their distracted patient.

Rose Zech as the withered favorite in no way resembles the movie queens of the quondam German movies — Marlene Dietrich, Paula Wessely, Anny Ondra or Zarah Leander — and she is triumphantly clad. The improbable situations that arise suggest a sensational Otto Soyka thriller crossed with episodes from "The Perils of Pauline," but the film lacks the suspense element on which such things thrive. One suspects the Berlin festival jury was lulled into

slumber by the monotony of the glum proceedings.

The movie about vagabond youth must be excruciatingly bad to fail. Genetically it contains the seeds of instant success. Whatever horrendous hardships it may describe, it sounds a siren obligato, voicing plaintively the insatiable yearning for youth, liberty and adventure that is irresistible, even if just another romantic illusion.

Add to earlier screen treatments of this general theme the Brazilian film "Pixote" by Hector Babenco. Its case is that of an orphan who, revolting against the injustices in a reform school, makes his getaway with two fellow inmates and before long is in the thrall of the underworld, an accomplice in drug and prostitution rackets and in holdups and murders. Nearer babyhood than manhood, he is a deft killer at 12.

"Pixote" has been recommended as a tonic exposé of the shocking conditions of underprivileged children in urban Brazil. The recommendation is in order, but the film is far more than a social document. From its sordid evidence, Babenco has distilled a drama of extraordinary excitement and poignancy, innocent of the slightest theatrical trickery. All that happens has an authentic ring, but the unrelenting naturalism is edged with uncommon directorial cunning.

There is much violence, but there is also a curious humor, now macabre, now of schoolboyish

fooling. These junior banditti may not be happy, but they are happier at large than locked up. Between their evil deeds, they have exhilarating fun, and their moments of merriment, their rough but deep camaraderie and the shadow of their pathetic longings have been wonderfully humanized.

As the impish youngster turned by circumstance into a dangerous criminal, Fernando Ramos da Silva, a 10-year-old of fallen-angel countenance, supplies a piece of acting that is compellingly persuasive in all its details, and the supporting actors fit their assignments to perfection. "Pixote" is a motion picture in which the Brazilian "cinema novo" may take pride.

Jean-Jacques Aublanc, making his directorial debut with "Un Maître Rouge," has efficiently stage-managed his company of reputable actors — Claude Rich, Michel Duchaussoy, Jacques Fabbri and Maurice Romet — but the script he has written for them is as riddled with holes as a shooting-gallery target.

Forty years after an incident in World War II, six comrades of the Class of 1943 meet for a reunion in their provincial town. One of them is now mayor of the community and he informs his friends that he has tracked down the man who betrayed their schoolmaster to the Nazis; the teacher was executed before their eyes. As capital punishment has been abolished in France, the mayor has decided to take justice into his own hands.

To meet the regulation movie time schedule, Aublanc inserts long sequences of a village fête that is taking place. At the end, the informer who profited from the Nazi reward is beckoned to the town hall and the mayor takes down his rifle and shoots him dead in the town square. The story, such as it is — told in a straightforward manner, but for his next venture Aublanc should engage a scenarioist who has something more pertinent to say.



Fernando Ramos da Silva in "Pixote."

Long-Banned Play Makes China Comeback

The Associated Press

PEKING — A play about a tragic love affair between a concubine and a female impersonator with the Peking Opera has made a triumphant return to the portland Chinese stage after having been banned for 25 years.

"Return Home on a Snowy Night," written by Wu Zuqian in 1942, has been playing to full houses for more than four weeks and the cast has been taking curtain calls, a practice virtually forgotten these days. "It is so gentle and meaningful," said a woman in the audience. "There is no propaganda. I don't remember when I last saw a play like this."

The play is laden with homosexual allusions. Modern Chinese censors have considered any reference to homosexuality, and usually heterosexual sex, to be taboo. The scenes of homosexual flirtation were received in silence, apparently without shock.

The play, a favorite of the late Premier Chou En-lai, is a nonpolitical story about the meaning of life, considered a frivolous topic during the Maoist Cultural Revolution.

"Return Home" is set in Peking in the 1920s, in a milieu of elite pleasure seekers where courtesans and male prostitutes were common. Male brothels surrounded the imperial Forbidden City, some staffed by Peking Opera performers who specialized in female roles.

Mortadella: Not a Bit of Baloney

WHEN I was a youngster, the sausage we ate most often — except, of course, for the frankfurter — was baloney, alias bologna or boloney and, for the erudite, bologna. It was not a food that impressed itself indelibly on the memory, though it served the lazy as an easily applied component of sandwiches in which, like its frequent companion in the same role, deviled ham, it assumed the task of representing meat at picnics, though without much conviction that it was succeeding.

This was the only sort of baloney of which I was conscious in New England early in this century, though it appears that there was, in Pennsylvania Dutch country, a sausage with more character referred to as "Lebensm-style bologna" — meaning, of course, Lebensm, Pennsylvania, not the Middle Eastern country. Calling it bologna was close to libel, for the Lebensm sausage, or summer sausage, was eminently qualified to represent meat.

The late Alfred Emanuel Smith, governor of New York and unsuccessful candidate for the presidency, must, like myself, have been

much exposed to baloney during his upbringing, for he is credited in the reference books with having originated the only two phrases known to me that have enshrined baloney in folk speech; and I judge that it was the same rather dried baloney, for neither of its references to it sounds particularly complimentary.

According to the Oxford Dictionary of Quotations, Gov. Smith, when invited to lay the cornerstone of the New York State Office Building, answered, "Nothing doing. That's just baloney. Everybody knows I can't lay bricks."

It is obvious that he did not invent the expression, for he expected everybody to understand it. The other example appears in Bartlett's Familiar Quotations, attributed to a 1936 campaign speech: "No matter how thin you slice it, it's still baloney." (I think it runs more trippingly off the tongue in the more familiar form, "No matter how thin you slice it, it's baloney all the same.")

Smith was, on this occasion referring to the rhetoric of Franklin D. Roosevelt; Claire Booth Luce later expanded the scope of the play by coining "globaloney." A rhyming derivative, inevitable if tautological, produced "phony-bologna," which Damon Runyon rendered into mock-Latin as "phonus-bolonus."

"Baloney" as a corruption of "bologna" recognizes that the American sausage is an imitation of mortadella, the most famous sausage of those produced in Italy's Bologna. Mortadella is a very old creation and Bologna is a very old sausage-making center. Tradition has it that the ancient Romans first learned about sausage from the Gauls, and that the tribe that had the earliest opportunity to instruct them was the Boii. Invading Italy, they drove the Etruscans out of Felsina, which was renamed, apparently from them, Roma; it is Bologna today.

In 190 B.C. the Romans took the city and acquired sausages; after one year's enjoyment of them, they adopted the region as a colony. The Bologna region has had the reputation of being the most prolific sausage-making area of Italy ever since.

A great deal of mediocre sausage is misleadingly referred to as mortadella, but as made in Bologna, mortadella is one of the great sausages of the world, which well deserves the accolade accorded it in 1661 by Ovidio Montalbani, a doctor and a gourmet, who called it "the noblest of all pork products." Many other experts, before and since, have agreed.

A dissenting opinion was expressed by Anatole France, who found mortadella unpleasant in taste and indigestible for the stomach; "but he had with him, during his visit to Bologna," wrote Alessandro Cervellati, "his tyrannical friend, Madame Caillavet, which was certainly no help to the digestion." The French *Dictionnaire de l'Académie des Gastronomes* says, "Mortadella has the pleasant taste, but being made of two kinds of meat, both distinctive, it does not have a clearly defined flavor."

This criticism is based on a mistaken conception of the nature of mortadella. The *dictionnaire* defines it as being made of mixed pork and beef, plus lard to reduce dryness, which is first pickled and then smoked. This may be the way the French make their imitation of this sausage, but the genuine Bologna mortadella is made of pork alone; it is neither pickled nor smoked.

Actually, mortadella is made of mashed pork, kneaded well together, skillfully spiced, and packed tightly into sausage casings. Sometimes the casing is the skin of a whole suckling pig into which the meat is stuffed with such artistry that no incision is visible. This trick was known to the ancient Romans, and some authorities are of the opinion that mortadella was first made by them and has been manufactured continuously since. A theory that they buttressed by analogy concerning the origin of sausage. They point out that the Romans made a sausage called *marcata* because it was flavored with myrtle berries, *morte* in modern Italian — hence mortadella. The trouble with this theory is that it is not myrtle berries that provide the spiciness of mortadella, but whole *peppercorns*, and there is so much of the indispensable mark of mortadella that its heavy peppering is recorded even in the 15th century, when pepper was so precious that it was used as money.

The ancient Romans apparently did make a sausage that was a precursor of mortadella, but it disappeared from public view with the fall of the empire. It either took refuge in the monasteries or was reinvented there.

"Pasty, Lacking Bite" Elizabeth David writes in "Italian Food." In Bologna there is good mortadella to be found, but on the whole it is a pasty sausage lacking the bite and stimulating character of the raw salt-cured *salsame*. I am saddened to discover that David, an authority with whom it is difficult to disagree, does not much care for mortadella. "As an ingredient of various stuffings and little pastries, it is useful," she says, "but as an hors d'oeuvre frankly dull." I would say bland, not dull (apart from the peppercorns), and it has to be bland to allow the delicacy of its seasoning to be perceived.

Delicacy is difficult to achieve; it may be that David has been unlucky in the case of mortadella she has encountered. She might be if, for instance, the met American mortadella, which does not sound particularly subtle as defined by Webster's: "made of chopped beef, pork, and pork fat, seasoned with pepper and garlic, stuffed into large casings, cooked and smoked." The same source's definition of baloney is "a large moist sausage, usu. of beef, veal and pork, that is chopped fine, seasoned, boiled, and smoked red." It is perhaps because this mixture has the consistency of character to Eurydice. Wayne Engling was a strongly focused Orpheus, but the role's emotional feeling seems added to his dancing rather than expressed through it. His soul is supposedly contested by a dark angel (Philip Brownhead) and the angel of light (Stephen Beagley), but they seem less actively concerned with Orpheus than with each other. The Furies are energetic but not particularly aggressive in the steps they are given, and Apollo is very much at odds with the rest in having stiff-legged, robot movements that belabor more to the world of dolls than deities. In a gloss on the myth that I have never seen before, Orpheus and Eurydice are shown united in death and rising heavenward, much as if they had just danced "Swan Lake."

Stravinsky's beautifully crafted music, an essay in sculpted line and rhythm rather than expressive feeling, was decently played under the conducting of Ashley Lawrence. The new ballet was flanked by "The Firebird" and "The Wedding" for the centennial program, two from the Royal Ballet's printed list of 16 Stravinsky ballets produced since 1948, too many of which have regrettably been dropped for lack of any will or inclination to keep them in the repertoire.

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New Royal Ballet 'Orpheus' Is a Showcase for Eurydice

By Noel Goodwin
International Herald Tribune

LONDON — As the Royal Ballet's tribute to the Igor Stravinsky centennial, Kenneth MacMillan has choreographed a new "Orpheus" for a Stravinsky triple bill at Covent Garden. In seven short, linked scenes, it follows the traditional story of Orpheus' attempt to rescue Eurydice from Hades, ending with his death at the hands of the Furies but showing an apotheosis of Apollo raising the lyre of Orpheus to the heavens.

Most of these incidents are, as it were, written into Stravinsky's music, which was composed for George Balanchine and what is now the New York City Ballet. That company has kept the Balanchine ballet in its repertoire since the 1948 premiere, and it was still to be seen and staged in the company's recent Stravinsky festival in New York, where, I found, older

works like this eclipsed newer ones. Comparisons are inevitable. MacMillan's version has more elaborate detail but less compelling choreography. His designer, Nicholas Georgiadis, provides costumes and headpieces in stylized Greek manner, as well as high metal ladders shining against black drapes to suggest the pit of hell, but these are not so striking as the sculptured simplicity of Isamu Noguchi's wonderful New York designs, which have kept their effect after more than 30 years.

Role Extended An advantage of MacMillan's version is a more extended role for Eurydice, who is seen being tumbled into Hades over the backs of other "lost souls." She dances a strangely colorful solo before being restored to a blindfolded Orpheus for their short duet, which is surprisingly allowed to continue briefly even after he has torn off the blindfold, though their contact is oddly passionless.

At the performance I saw, Marguerite Foster brought grace of line as well as poetry of character to Eurydice. Wayne Engling was a strongly focused Orpheus, but the role's emotional feeling seems added to his dancing rather than expressed through it. His soul is supposedly contested by a dark angel (Philip Brownhead) and the angel of light (Stephen Beagley), but they seem less actively concerned with Orpheus than with each other. The Furies are energetic but not particularly aggressive in the steps they are given, and Apollo is very much at odds with the rest in having stiff-legged, robot movements that belabor more to the world of dolls than deities. In a gloss on the myth that I have never seen before, Orpheus and Eurydice are shown united in death and rising heavenward, much as if they had just danced "Swan Lake."

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INTERCONTINENTAL HOTEL, LONDON, SEPTEMBER 20 & 21, 1982.

Sheikh Ali Khalifa al-Sabah, Minister of Oil and former Finance Minister of Kuwait, will be the keynote speaker at the third annual International Herald Tribune/Oil Daily conference on "Oil and Money in the Eighties."

Senator James McClure, Chairman of the U.S. Senate Energy Committee and one of the main formulators of U.S. energy policy, will open the second day of the

conference, and U.S. Secretary of the Treasury Donald T. Regan will answer questions via live telephone hook-up following a special video address to the conference from Washington, D.C.

Senior executives in energy, finance and related fields wishing to register for this conference may return the registration form below.

ENERGY IN AN UNCERTAIN ECONOMY

SEPTEMBER 20

KEYNOTE ADDRESS

Sheikh Ali Khalifa al-Sabah, Minister of Oil, Kuwait.

THE SUPPLY AND DEMAND OUTLOOK

Theodore R. Eck, Chief Economist, Standard Oil Company (Indiana).

Helen Hughes, Director of Economic Analysis and Projections, The World Bank.

Ian Seymour, Executive Editor, Middle East Economic Survey.

Moderator: Herman T. Franssen, Chief Economist, International Energy Agency.

WHERE OIL AND GAS WILL BE FOUND IN THE EIGHTIES

Hans R. Grunau, Senior Exploration Consultant, Petroconsultants.

NEW POWER RELATIONS IN THE GULF

James E. Atkins, former U.S. Ambassador to Saudi Arabia.

THE IMPACT OF DOWNSTREAM ARAB INVESTMENT

Donald C. O'Hara, former President, National Petroleum Refiners' Association.

Abdullah M. Taher, Governor, Petromin.

SPECIAL ADDRESS

Donald T. Regan, U.S. Secretary of the Treasury, speaking from Washington D.C.

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Fees are payable in advance of the conference. Each participant: £435 or the equivalent. This includes all refreshments, lunches, and post-conference documentation. Fees will be returned in full for any cancellation that is postmarked on or before September 3, 1982.

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SEPTEMBER 21

U.S. ENERGY POLICY

Senator James McClure, Chairman of the U.S. Senate Energy Committee.

PROBLEMS OF ENERGY FINANCING

THE INVESTMENT OUTLOOK FOR NORTH SEA ENERGY

Hansish Gray MP, U.K. Minister of State for Energy

MOBILIZING INTERNATIONAL FUNDS FOR ENERGY PROJECTS.

Ian Logie, President and Chief Executive, Int. Energy Bank.

INVESTMENT DECISIONS IN AN ERA OF DECLINING OIL PRICES

Harold Hammer, Executive Vice President, Gulf Oil Corp.

THE EVOLUTION AND IMPACT OF INTERNATIONAL OIL TAXATION

Robert B. Weaver, Vice President, Global Petroleum Division, Chase Manhattan Bank.

THE LONG TERM GAS OUTLOOK

John Lichtblau, Executive Director, Petroleum Industry Research Foundation.

John F. Weeder, Manager of Corporate Planning, N.V. Nederlandse Gasunie.

HOW TO MAKE MONEY IN A SOFT ENERGY MARKET

THE OIL FUTURES MARKET

John Treat, President, New York Mercantile Exchange.

SPOT TRADING

Erwin Spuller, Managing Director, Fretail, Paris.

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BUSINESS / FINANCE

WEDNESDAY, JUNE 30, 1982

Page 9

BUSINESS BRIEFS

Dome Subsidiary to Sell 6 Tankers

LONDON — Dome Petroleum has signed a letter of intent to sell six tankers to private business interests in Quebec for 44 million Canadian dollars (\$34 million), the financially troubled oil company said Tuesday.

Fed Allows Chase-Equibank Deal

WASHINGTON — The Federal Reserve Board will not interfere in Chase Manhattan's proposed purchase of stock of Pittsburgh-based Equibank and its subsidiary Equibank, it was announced Tuesday.

Intersind Discards Wage Escalator

ROME — Intersind, the management organization of Italian state-held industries, has decided to abolish the 1975 agreement that links wage increases to the cost of living.

Associated Hotels Sets Loan Terms

HONG KONG — Associated Hotels has signed a syndicated loan agreement for 650 million Hong Kong dollars (\$110.5 million) with a leading group led by Canadian Imperial Bank of Commerce and Yieh Yeh Commercial Bank of China, Canadian Imperial said Tuesday.

Krupp, Estel to Make Joint Aid Bid

BONN — Krupp Stahl and Estel Hoesch Werke have agreed on a joint investment plan in time to meet a June 30 deadline for requesting state aid, a Krupp Stahl spokesman said from Bochum, West Germany.

Court Rejects Bouygues' Takeover

PARIS — The Paris Commerce Tribunal said Tuesday it had ruled Bouygues' takeover of the Drouot insurance group in February was invalid, and it fined Bouygues 20,000 francs (\$2,800).

Barnett to Acquire Great American

TAMPA, Fla. — Barnett Banks has announced an agreement to acquire Great American Banks for \$47.5 million, which could push it past Southeast Banking as Florida's largest banking company.

Compiled From Agency Dispatches

U.S. Court Limits State Tax on Foreign Units

By Robert C. Siner

International Herald Tribune

WASHINGTON — The U.S. Supreme Court defined new limits Tuesday on the ability of states to tax the worldwide income of multinational corporations.

In a pair of 6-to-3 decisions involving Idaho and New Mexico, the court held that a state cannot tax the dividend and capital-gain income of independent foreign subsidiaries whose parent companies are based outside the state. In such cases, a company must show that the foreign subsidiary is not part of a "unitary business" but is economically distinct from its operations in the state.

The court, amplifying a 1980 decision that allowed states to tax in-

come earned outside their borders using the so-called unitary rule, found that New Mexico could not tax the worldwide income of F.W. Woolworth because the income from Woolworth's foreign subsidiaries was not connected with its New Mexico operations. Woolworth owns subsidiaries in West Germany, Canada, Mexico and Britain.

Speaking for the majority, Justice Lewis F. Powell held that "A showing has been made that income unconnected with the unitary business has been used in the levy of a New Mexico tax. We conclude that this tax does not bear the necessary relationship to operations, benefits or protection conferred or afforded by the taxing state."

Woolworth, which is based in New York, reported its dividends from its foreign subsidiaries as nonbusiness income which was not to be allocated to New Mexico.

In the second case, involving Idaho's attempt to tax the worldwide income of Asarco including dividends, capital gains and interest income from subsidiaries that do no business in the state, Justice Powell ruled that the company had

shown that no unitary business relationship exists between Asarco and its subsidiaries.

Citing the 1980 decision, Justice Powell held that subsidiaries that are separate business entities rather than closely integrated segments of the parent company are not part of a unitary business and their income cannot be used by the states in determining the tax liability of the parent company.

Prices on Wall Street Show Slight Increase

Compiled By Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange closed mixed Tuesday after a few major banks raised broker loan rates.

The Dow Jones industrial average, down more than 2 1/2 points in mid-afternoon, managed to rally in the final few minutes to close up 0.28 at 812.21. The average has gained 23.51 points since hitting a 26-month low on June 18.

Declines led advances by a 702-697 margin, while volume rose to 46.9 million shares from the 40.7 million traded Monday.

Analysts said the increased volume may have been caused by some institutional investors doing a bit of last minute "window dressing" of their portfolios for the third quarter.

Brokers said some selling developed after Bankers Trust, Chemical Bank and Continental Illinois Bank raised their interest rates to brokers for loans, primarily because federal funds rates banks charge one another have risen the past week or so.

Robert T. Parry, chief economist for Security Pacific National Bank,

said an increase in prime rate from the current 16 1/2 percent level is likely and may come this week.

He said that the prime increase, justified by recent sharp increases in the banks' cost of funds, would be at least 17 percent.

Prices were slightly higher on credit markets, aided by a drop in the federal funds rate to 14 1/2 percent from an earlier high of 15 1/2 percent.

On the NYSE floor, Diamond Shamrock was up 3 1/2 at 21 1/2 in active trading.

Mesa Petroleum declined to comment on a New York Times report that it might be interested in acquiring Diamond Shamrock.

Cities Service was one of the most active issues, closing down 1/4 at 54 1/4.

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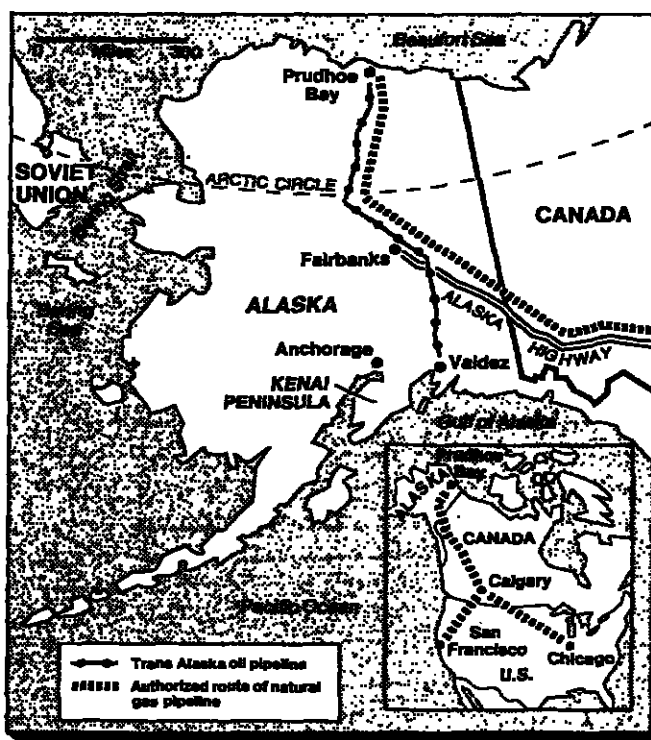
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Transportation Co., the consortium formed by the Northwest Alaskan Pipeline Co. of Salt Lake City, has been unable to put together the financing for the 741-mile segment within Alaska.

First, the expected completion date was pushed back to 1987. In April, the date was pushed back again to 1989. The reasons given were the short-term access in the world energy supply, depressed crude oil prices, lower levels of economic activity in the United States and abroad, and uncertainties in financial markets.

Now the Alaska pipeline inspector's office here is being dismantled and the staff dispersed. The Fairbanks staff of Northwest Alaskan (Continued on Page 11, Col. 2)

Swiss Banks Agree On Tighter Code

Rules on Identification, Fund Shifts Aim to Curb Abuses of Secrecy Law

Compiled By Our Staff From Dispatches

GENEVA — The Swiss National Bank and the Swiss Bankers Association have agreed on a new tightened code of conduct to fight improper use of the Swiss bank secrecy law, they announced Tuesday.

The new code is designed to renew and strengthen an existing agreement reached in 1977 that is aimed at combating economic crime and controlling the flight of capital into Switzerland.

It continues to forbid banks actively to assist flight of capital or tax evasion. But for the first time it mentions specifically so-called compensation transactions, whereby capital is moved by bookkeeping adjustments in two different countries, rather than by physical transfer of funds.

The new agreement also applies the rules to Swiss lawyers, notaries and members of fiduciary and auditing associations, the go-

between who can invoke professional secrecy in testifying about the true beneficiary of funds without revealing the latter's identity.

A key clause in the new five-year agreement, which is to take effect Oct. 1, requires banks to identify clients more rigorously to make the "laundering" of crime-connected money more difficult. Ransom paid in kidnappings in Italy and other West European countries has been traced repeatedly to Switzerland.

Identity checks will be required in all cash operations involving more than 500,000 Swiss francs (\$235,000). Up to now, cash clients were allowed to remain anonymous. The National Bank had hoped for a "somewhat lower ceiling," a spokesman said, but feared that it might make transactions "too complicated."

The new code also extends identity controls to all clients opening accounts or making deposits of securities. Under the 1977 agreement, new customers depositing less than 100,000 francs were exempt.

The code does not affect the bank's obligations under the 48-year-old banking secrecy law to guarantee absolute confidentiality, except in criminal investigations.

A moderate change of those rules is under consideration by government specialists, under some political pressure. The Social Democrats have proposed constitutional amendments that, for the first time, would oblige banks to provide internal revenue authorities with tax information on client accounts. The proposal is to be voted on in a nationwide referendum, probably in 1984.

Banks remain pledged not to support attempts "aimed at deceiving fiscal authorities at home or abroad" by incomplete or otherwise misleading information.

The new code leaves at 10 million francs the maximum fine for violations. Fines are imposed by an arbitration committee comprising officials of both parties to the agreement and headed by a federal judge.

A spokesman for the committee said that seven banks have been fined a total of less than 1 million francs in the past five years.

Euromarket Activity Up 23%, OECD Says

Compiled By Our Staff From Dispatches

PARIS — The rate of borrowing on international capital markets in the first five months of this year was about 23 percent higher than in 1981, the Organization for Economic Cooperation and Development said Tuesday.

The OECD, in its latest survey of financial market trends, said that new borrowing was up 23 percent at an annual rate in the first five months of 1982 and at an annual rate of \$194 billion in April and May.

The report said the five-month rate was much faster than had been expected and far surpassed the \$143 billion in medium-term Eurocredits and external bond offerings in 1981. The OECD excluded in this figure the huge financings by U.S. corporations for takeover battles last year.

The report said that borrowers have been crowded out of domestic markets by public sector borrowing and have had to raise money on international markets.

The OECD said it saw little likelihood of a change in the pattern for the remainder of the year. For the early part of next year, it said that the direction of U.S. interest rates held the key.

"Recent experience on external bond markets has indicated that any significant downward movement of interest rates may easily create an upsurge in new borrowing that either was already overhanging... or is switched there from national capital markets," it said.

The report predicted that new borrowing in 1982 would probably total between \$160 billion and \$175 billion. It said most of the increase would continue to come on bond markets. It said the medium-term Eurocredits would probably show a slight increase over the rest of the year.

23 Percent: 1982 First 5 Months

(a) Commercial banks. (b) Amounts needed to buy one month. (c) Units of \$100. (d) Units of \$100.

CURRENCY RATES

Interbank exchange rates for June 29, including bank service charges.

	\$	£	D.M.	F.F.	S.F.	Y.P.	Y.S.	Y.L.	Y.H.
Amsterdam	2.2735	4.232	16.095	28.8	1.792	5.21	129.263	31.23	31.23
Bombay	27.28	81.28	19.815	4.89	3.797	17.19	22.28	5.49	5.49
Brussels	2.2735	4.232	16.095	28.8	1.792	5.21	129.263	31.23	31.23
London	1.724	4.232	16.095	28.8	1.792	5.21	129.263	31.23	31.23
Madrid	167.35	1,407.28	582.45	29.28	1.792	5.21	129.263	31.23	31.23
New York	1.724	4.232	16.095	28.8	1.792	5.21	129.263	31.23	31.23
Paris	4.232	16.095	28.8	1.792	5.21	129.263	31.23	31.23	31.23
Port of Spain	2.2735	4.232	16.095	28.8	1.792	5.21	129.263	31.23	31.23
Stockholm	0.533	0.533	2.264	4.822	1.792	5.21	129.263	31.23	31.23
Swiss	1.086	0.697	2.847	7.414	1.792	5.21	129.263	31.23	31.23

23 Percent: 1982 First 5 Months

(a) Commercial banks. (b) Amounts needed to buy one month. (c) Units of \$100. (d) Units of \$100.

Tuesday's NYSE Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

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(Continued on Page 12)

Dollar Falters In Slow Trading At Quarter-End

Compiled by Our Staff From Dispatches
LONDON — The dollar fell against most major European currencies in slow trading Tuesday, reflecting some profit-taking and an easing in Eurodollar deposit rates, dealers said. Gold and silver bullion rose.
Eurodollar rates ended about 7/16 lower as pressures stemming from the end of the quarter began to abate, the dealers said. They said a number of traders were buying back Eurodollar currency Tuesday after heavy dollar demand the day before to balance their books.
The British pound, buoyed by the end of rail and subway strikes, regained ground lost Monday, to close at \$1.734, up from Monday's \$1.72.
The dollar also slipped against the Deutsche mark, closing at 2.4615 DM after Monday's 2.4693. The disclosure that West Germany's trade surplus had widened to about 5 billion DM in May from 3.4 billion DM in April had been expected but still seemed to benefit the mark, dealers said.

Alaska Gas Pipe Plan Bogs Down

(Continued from Page 9)
Pipeline, once about 120, is down to 24. The only gas-line work being carried out in Alaska consists of further tests of means to contain damage caused by ground shifting from the permafrost that occurs all along the line's route north of the Arctic Circle.
Harold Moles, Northwest Alaskan Pipeline's manager here, said the closing of the state pipeline inspector's office "will not have much effect because of the level of activity here." He added that pre-construction field programs were all completed, and design work was being done in Irvine, Calif., and in Houston.
Charles Behlke, director of the state pipeline inspection office, said Northwest Alaskan Pipeline had shut off the \$2.5 million annual subsidy it paid to keep the office open to expedite construction. "The closure doesn't mean much as long as the focus is on financial matters," he added.
Of the three major permits the pipeline needs, one is in hand and the need for another is in dispute, but the third one is out of reach until a financing plan can be shown to U.S. officials.
In the last days of the Carter administration, a right-of-way permit

was issued for U.S. lands. The pipeline company and state officials are in dispute over the right-of-way permit for state lands, and one has not been issued.
This question involves the current transfers of millions of acres of land from the U.S. public domain to state ownership. The pipeline builders argue that their U.S. permit covers such land, if it was in U.S. title when the U.S. right-of-way permit was issued; state officials argue the other point of view.
May exports fell 63 percent to \$11.4 billion from a year earlier, while imports were down 11.1 percent to \$10.1 billion.
The ministry said that Japan's current account surplus plunged in May to \$76 million from \$541 million in April.
The ministry said, however, that

overall balance of payments showed a surplus of \$1.27 billion. It was the result mainly to a substantial improvement in the capital account caused by an inflow of foreign funds, mainly in stock and bond purchases.
Net purchases by foreigners of Japanese securities in May rose to \$1.37 billion from \$87 million in April, officials said.
Purchases of bonds and debentures rose to \$1.23 billion from \$157 million in April, reflecting a brief recovery then in the Japanese bond market and the yen's value against the dollar, the officials said.

W. Germany Says Surplus Up for May

Compiled by Our Staff From Dispatches
WIESBADEN, West Germany — West Germany recorded a trade surplus of 5 billion Deutsche marks and a current-account surplus of 800 million DM in May, the federal statistics office said Tuesday.
The Economics Ministry said that the improvement in the current account supports the government's forecast that it should be roughly in balance this year.
The statistics office said the current account for the first five months of 1982 showed a deficit of 600 million DM compared with an 11.5 billion DM deficit for the same period in 1981.
A spokesman for the West German Industrial and Trade Association said the figures were in line with expectations.
A statistics office spokesman said the current account surplus for April was revised to 500 million DM from the 200 million DM announced earlier. The April trade surplus was 3.44 billion DM.
In May, 1981, there was a current account deficit of 2.1 billion DM, the spokesman said.
The May, 1981, trade surplus was 1.54 billion DM, with total exports at 31.23 billion DM and imports of 29.69 billion DM.
Exports last month totaled 35.58 billion DM, down from 36.50 billion DM in April, and imports were 30.59 billion DM, down from 33.06 billion DM a month earlier, the spokesman said.
Exports in the first five months of this year totaled 179.7 billion DM and imports 160.1 billion DM.

Fed Decreases to 2 Days the Lag For Banks' Reserve Accounting

Compiled by Our Staff From Dispatches
WASHINGTON — The Federal Reserve Board, in an attempt to improve short-term control of the money supply, has decided to eliminate most of the two-week lag between the time a financial institution receives a deposit and the time it must place a portion of it with the Fed as a reserve.
Some Reagan administration officials, including Treasury Secretary Donald T. Regan, have been pressing the Fed to shift from the present lagged reserve accounting approach to so-called contemporaneous reserve accounting. The officials and most monetarist economists maintain the switch will greatly improve the Fed's ability to hit its money supply targets on a month-to-month or quarter-to-quarter basis.
Mr. Regan, who called Monday's action "welcome news," has blamed the Fed's inability to control money growth month-by-month for causing the current recession.
The action was approved informally Monday. The Fed must still act formally on it.
None of the five Fed governors, including Chairman Paul A. Volcker, who voted for the change, claimed it would provide more than a small improvement in monetary control. Two governors, Lyle E. Gramley and Nancy H. Teeters, opposed the change on the grounds it would increase the volatility of interest rates and would be costly for financial institutions.
The action, which still has many important details to be worked out, including the date of implementation, was approved over the nearly unanimous opposition of

about 160 depository institutions. They commented on a staff proposal to make the change. The banks and thrift institutions argued the costs they would incur to collect necessary information about deposits more quickly would not be worth it in terms of better control of money.
Citibank, for example, said it supported the move "philosophically" but agreed with the view of the New York Clearing House that some banks would have difficulty in shortening to two days their response time to deposit shifts.
As with most aspects of monetary policy implementation, the nature and timing of reserve requirements is a highly technical matter. A financial institution that accepts deposits must set aside a portion of them in the form of a non-interest bearing deposit at a Federal Reserve bank. Institutions with more than \$26 million in checking, or transactions accounts, must deposit 12 percent of such liabilities with the Fed.
At present, the institutions keep track of their deposits for each seven-day period ending on Wednesday. They are not required to set aside the reserves associated with those deposits until a comparable

seven-day period two weeks later. The proposal adopted Monday would lengthen from one week to two weeks the period in which deposits are counted. Each deposit period would end on Monday, and there would be only a two-day lag, until Wednesday, before the associated reserve accounting period ended. Thus, most of the 14 days over which deposits and required reserves are averaged would overlap.
Eliminating the lag, at least in theory, will encourage the banking system to respond more quickly to the week-to-week actions by the Fed through which it seeks to regulate growth of the money supply by adding and subtracting reserves from the system.
Opponents and supporters of Monday's move expect greater volatility in the market for overnight federal funds.
H. Erich Heinemann of Morgan Stanley, a monetarist economist and a supporter of the Fed decision, said Tuesday: "In the very short-term market, the federal funds market, it will probably increase volatility. But if it is properly implemented, it will probably reduce volatility in long-term rates."

Amsterdam	Close	Prev.
ABN Holding	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50

Brussels	Close	Prev.
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50

Frankfurt	Close	Prev.
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50

London	Close	Prev.
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50

Other Markets	Close	Prev.
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50

Singapore	Close	Prev.
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50
ABN-NV	287.50	287.50

Could you have turned \$50,000 into \$2,086,890 in 23 years?

If you have U.S. \$50,000 or more to invest in U.S. common stocks, be sure to send for a free explanatory memorandum and other information on Tuesday, Browne N.V., Netherlands Antilles open end fund. The fund's investments are managed by Tweedy, Browne Inc., 67 Wall Street, New York, New York 10005, a registered U.S. investment adviser established in 1930. The fund and its predecessor have achieved average compounded rates of return of 17.8% annually for the past 23 years. Which means an initial investment of U.S. \$50,000 would have grown to \$2,086,890, net of any fees. In the last five years, an initial investment of U.S. \$50,000 would have grown to \$123,501 net of any fees—a 19.9% annual rate of return.

The fund managers follow a practice of seeking out U.S. stocks selling at least 50% below estimated value in a merger, acquisition or liquidation of assets. Participation is limited to investors who are not citizens or residents of the U.S.A. There is no sales charge to purchase fund shares. Just mail the coupon to Tweedy, Browne N.V., Herengracht 416, 1017 BZ Amsterdam, Netherlands, or telephone (010) 256522 for your free offering package.

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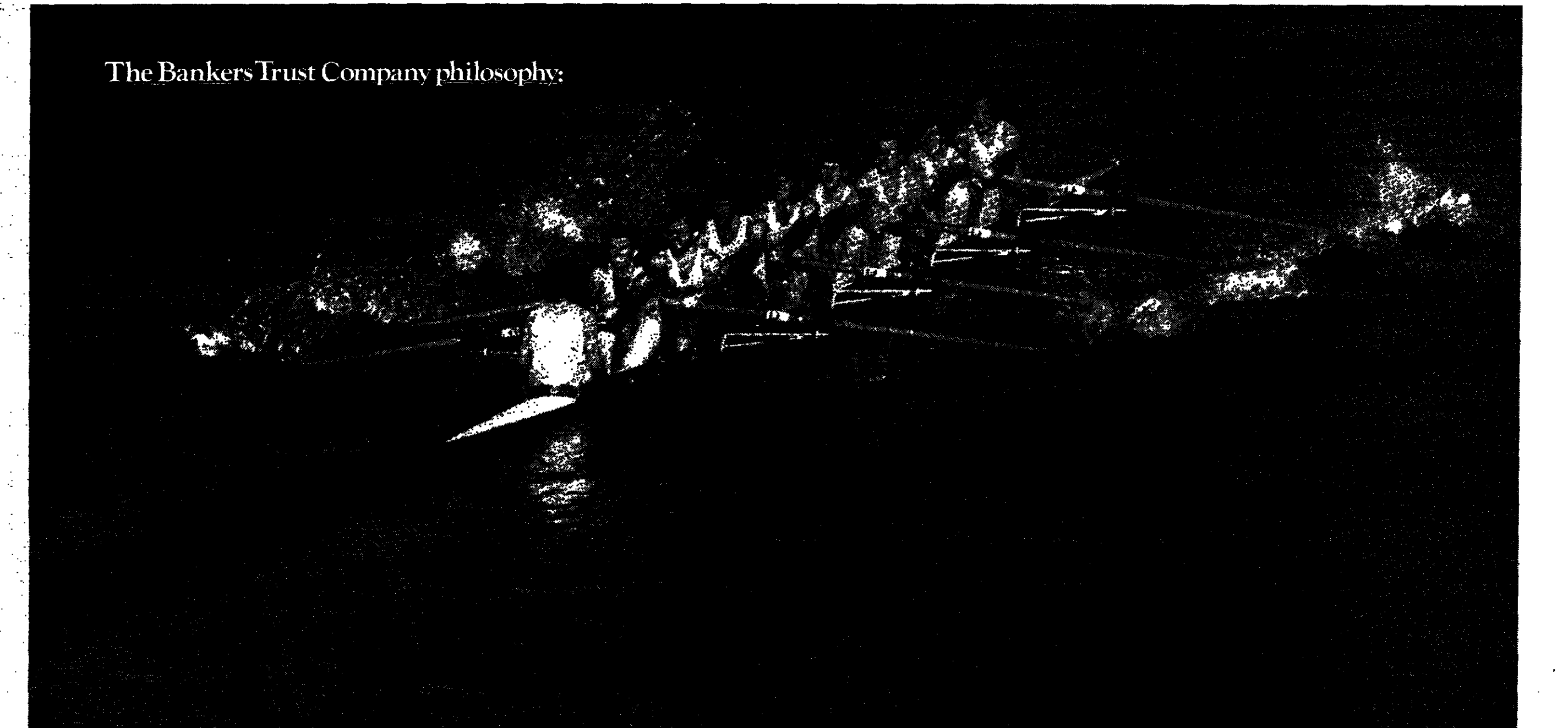
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Tweedy, Browne N.V.
Herengracht 416
1017 BZ Amsterdam
Netherlands
Telephone: (010) 256522

Please forward information on Tweedy, Browne N.V. to

NAME _____
ADDRESS _____ TELEPHONE _____



The Bankers Trust Company philosophy:

Excellence is achieved only through consistency and innovation. And teamwork.

Excellence, in any endeavor, is based on superior performance, day in and day out. And continued success is achieved only when like-minded professionals combine their experience and ingenuity in such a manner as to set them apart.

It is an accomplishment which requires common purpose sparked with rare determination. A drive that provides the ability to perform consistently under pressure. Teamwork. These are parts of a real-life philosophy. A philosophy which yields handsome rewards.

Common purpose and teamwork: how they work for you.

A major construction and engineering firm recently worked with Bankers Trust to evaluate the advantages of refinancing part of its revolving bank credit in a special way. What they needed was a creative finance package that gave them the flexibility to gain access to a range of money markets at the most advantageous interest rates possible.

Working closely with our Corporate Financial Services professionals and our World Corporate bankers, Bankers Trust's Resources Management specialists structured and placed an issue of privately placed promissory notes.

Subsequently, the company appointed Bankers Trust as co-agent in its traditional commercial paper programme. The two financings, which totalled hundreds of millions of dollars, met the needs of a customer with unusually high standards.

Highly skilled people from Bankers Trust's worldwide service network were brought together to work as one, carefully guided by one of our experienced relationship managers. Someone who never forgets the awesome potential of people working diligently toward a common purpose. People inspired by the pursuit of excellence.

This is just one example of the kind of performance into which our philosophy translates. Performance which makes Bankers Trust stand out in our industry. And the kind of performance which helps make our clients first in theirs.

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Tuesday's AMEX Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

Tables include the nationwide prices up to the closing on Wall Street

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Eurocurrency Interest Rates

June 29

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1M, 1984	15% - 15%	8% - 9%	5% - 5 1/2%	13% - 13 1/2%	15% - 15 1/2%	12 1/2% - 13%	13% - 13 1/2%
3M, 1984	16% - 16%	9% - 9 1/2%	5 1/2% - 5 3/4%	13 1/2% - 14%	16% - 17 1/2%	13% - 13 1/2%	13% - 14%
6M, 1984	16% - 16%	9 1/2% - 9 3/4%	6% - 6 1/2%	13 1/2% - 14%	16% - 18%	13 1/2% - 13 3/4%	14% - 14 1/2%
1 Y, 1984	16% - 16%	9% - 9 3/4%	6% - 6 1/2%	13 1/2% - 14%	16% - 18%	13 1/2% - 13 3/4%	13% - 14%

Selected Over-the-Counter

June 79

AEI Ind	13 1/2	13 1/2	QovrTMS	12 1/2	13 1/2	Kaman	17 1/2	18	Posals	9 1/2	9 1/2
AEI Prol	19 1/2	21	DBer	25 1/2	26	KelbyS	24	25 1/2	PresGM	20 1/2	20 1/2
AWACS	3 1/2	4	DeBbAG	14	14 1/2	Kimball	18 1/2	19 1/2	ProSveng	18 1/2	18 1/2
Accord	1 1/2	1 1/2	DeLCom	11	11 1/2	Klump	18 1/2	19 1/2	ProSveng	18 1/2	18 1/2
Accoray	8 1/2	9	DeweveI	3	3 1/2	KloofG	18 1/2	19 1/2	PSbWm	11 1/2	11 1/2
AddmWm	1 1/2	1 1/2	DiaCRy	22	23 1/2	KnovSp	15 1/2	16 1/2	PurBen	18 1/2	18 1/2

Floating Rate Notes

Closing prices, June 29

Symbol	Issue-Mkt cap-Mgt.	Current Next	Bid Asked
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Amstar	26 1/2	26 1/2	DynIDB	16	16 1/4	Lark's	16	16 1/4
Amstar	8 1/2	9	Drift Cn	15 1/4	15 1/2	LandRes	16	16 1/4
AFurn	5	5 1/4	DunkD's	15 1/2	16 1/4	LaneCo	16	16 1/4
AGreet	24 1/4	24 1/2	Duriron	16 1/2	17 1/4	Lilms	16	16 1/4
AlCo	22 1/4	22 1/2				Lilms	16	16 1/4

18 1/2	18 3/4
29 1/2	30 1/4
36	36 1/2
12	13

[illegible]

Bank

[illegible]

Non Banks

Non Banks

[illegible]

Canadian Stock Markets


June 28

Toronto				Prices in Canadian cents unless marked S.				High Low Close C/Yr					
		High	Low	Close	C/Yr					High	Low	Close	C/Yr
1290	AMBA Inc	14 1/2	14 1/2	14 1/2	+ 1/2	2553	Dom Store	51 3/4	13 1/2	- 1/2			
1291	ANCA (Pric	14 1/2	14 1/2	14 1/2	+ 1	2554	Du Pont A	51 3/4	14 1/2	- 1/2			
1292	ANCA (Pric	14 1/2	14 1/2	14 1/2	+ 1	2555	Imperial	51 3/4	14 1/2	- 1/2			
1293	Agropur Inc	37 3/4	37 3/4	37 3/4	+ 1/2	2556	Imperial	51 3/4	14 1/2	- 1/2			
1294	Agropur Inc	37 3/4	37 3/4	37 3/4	+ 1/2	2557	Imperial	51 3/4	14 1/2	- 1/2			
1295	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2558	Imperial	51 3/4	14 1/2	- 1/2			
1296	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2559	Imperial	51 3/4	14 1/2	- 1/2			
1297	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2560	Imperial	51 3/4	14 1/2	- 1/2			
1298	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2561	Imperial	51 3/4	14 1/2	- 1/2			
1299	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2562	Imperial	51 3/4	14 1/2	- 1/2			
1300	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2563	Imperial	51 3/4	14 1/2	- 1/2			
1301	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2564	Imperial	51 3/4	14 1/2	- 1/2			
1302	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2565	Imperial	51 3/4	14 1/2	- 1/2			
1303	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2566	Imperial	51 3/4	14 1/2	- 1/2			
1304	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2567	Imperial	51 3/4	14 1/2	- 1/2			
1305	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2568	Imperial	51 3/4	14 1/2	- 1/2			
1306	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2569	Imperial	51 3/4	14 1/2	- 1/2			
1307	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2570	Imperial	51 3/4	14 1/2	- 1/2			
1308	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2571	Imperial	51 3/4	14 1/2	- 1/2			
1309	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2572	Imperial	51 3/4	14 1/2	- 1/2			
1310	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2573	Imperial	51 3/4	14 1/2	- 1/2			
1311	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2574	Imperial	51 3/4	14 1/2	- 1/2			
1312	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2575	Imperial	51 3/4	14 1/2	- 1/2			
1313	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2576	Imperial	51 3/4	14 1/2	- 1/2			
1314	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2577	Imperial	51 3/4	14 1/2	- 1/2			
1315	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2578	Imperial	51 3/4	14 1/2	- 1/2			
1316	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2579	Imperial	51 3/4	14 1/2	- 1/2			
1317	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2580	Imperial	51 3/4	14 1/2	- 1/2			
1318	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2581	Imperial	51 3/4	14 1/2	- 1/2			
1319	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2582	Imperial	51 3/4	14 1/2	- 1/2			
1320	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2583	Imperial	51 3/4	14 1/2	- 1/2			
1321	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2584	Imperial	51 3/4	14 1/2	- 1/2			
1322	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2585	Imperial	51 3/4	14 1/2	- 1/2			
1323	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2586	Imperial	51 3/4	14 1/2	- 1/2			
1324	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2587	Imperial	51 3/4	14 1/2	- 1/2			
1325	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2588	Imperial	51 3/4	14 1/2	- 1/2			
1326	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2589	Imperial	51 3/4	14 1/2	- 1/2			
1327	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2590	Imperial	51 3/4	14 1/2	- 1/2			
1328	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2591	Imperial	51 3/4	14 1/2	- 1/2			
1329	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2592	Imperial	51 3/4	14 1/2	- 1/2			
1330	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2593	Imperial	51 3/4	14 1/2	- 1/2			
1331	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2594	Imperial	51 3/4	14 1/2	- 1/2			
1332	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2595	Imperial	51 3/4	14 1/2	- 1/2			
1333	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2596	Imperial	51 3/4	14 1/2	- 1/2			
1334	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2597	Imperial	51 3/4	14 1/2	- 1/2			
1335	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2598	Imperial	51 3/4	14 1/2	- 1/2			
1336	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2599	Imperial	51 3/4	14 1/2	- 1/2			
1337	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2600	Imperial	51 3/4	14 1/2	- 1/2			
1338	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2601	Imperial	51 3/4	14 1/2	- 1/2			
1339	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2602	Imperial	51 3/4	14 1/2	- 1/2			
1340	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2603	Imperial	51 3/4	14 1/2	- 1/2			
1341	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2604	Imperial	51 3/4	14 1/2	- 1/2			
1342	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2605	Imperial	51 3/4	14 1/2	- 1/2			
1343	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2606	Imperial	51 3/4	14 1/2	- 1/2			
1344	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2607	Imperial	51 3/4	14 1/2	- 1/2			
1345	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2608	Imperial	51 3/4	14 1/2	- 1/2			
1346	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2609	Imperial	51 3/4	14 1/2	- 1/2			
1347	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2610	Imperial	51 3/4	14 1/2	- 1/2			
1348	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2611	Imperial	51 3/4	14 1/2	- 1/2			
1349	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2612	Imperial	51 3/4	14 1/2	- 1/2			
1350	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2613	Imperial	51 3/4	14 1/2	- 1/2			
1351	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2614	Imperial	51 3/4	14 1/2	- 1/2			
1352	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2615	Imperial	51 3/4	14 1/2	- 1/2			
1353	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2616	Imperial	51 3/4	14 1/2	- 1/2			
1354	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2617	Imperial	51 3/4	14 1/2	- 1/2			
1355	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2618	Imperial	51 3/4	14 1/2	- 1/2			
1356	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2619	Imperial	51 3/4	14 1/2	- 1/2			
1357	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2620	Imperial	51 3/4	14 1/2	- 1/2			
1358	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2621	Imperial	51 3/4	14 1/2	- 1/2			
1359	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2622	Imperial	51 3/4	14 1/2	- 1/2			
1360	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2623	Imperial	51 3/4	14 1/2	- 1/2			
1361	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2624	Imperial	51 3/4	14 1/2	- 1/2			
1362	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2625	Imperial	51 3/4	14 1/2	- 1/2			
1363	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2626	Imperial	51 3/4	14 1/2	- 1/2			
1364	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2627	Imperial	51 3/4	14 1/2	- 1/2			
1365	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2628	Imperial	51 3/4	14 1/2	- 1/2			
1366	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2629	Imperial	51 3/4	14 1/2	- 1/2			
1367	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2630	Imperial	51 3/4	14 1/2	- 1/2			
1368	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2631	Imperial	51 3/4	14 1/2	- 1/2			
1369	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2632	Imperial	51 3/4	14 1/2	- 1/2			
1370	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2633	Imperial	51 3/4	14 1/2	- 1/2			
1371	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2634	Imperial	51 3/4	14 1/2	- 1/2			
1372	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2635	Imperial	51 3/4	14 1/2	- 1/2			
1373	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2636	Imperial	51 3/4	14 1/2	- 1/2			
1374	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2637	Imperial	51 3/4	14 1/2	- 1/2			
1375	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2638	Imperial	51 3/4	14 1/2	- 1/2			
1376	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2639	Imperial	51 3/4	14 1/2	- 1/2			
1377	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2640	Imperial	51 3/4	14 1/2	- 1/2			
1378	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2641	Imperial	51 3/4	14 1/2	- 1/2			
1379	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2642	Imperial	51 3/4	14 1/2	- 1/2			
1380	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2643	Imperial	51 3/4	14 1/2	- 1/2			
1381	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2644	Imperial	51 3/4	14 1/2	- 1/2			
1382	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2645	Imperial	51 3/4	14 1/2	- 1/2			
1383	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2646	Imperial	51 3/4	14 1/2	- 1/2			
1384	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2647	Imperial	51 3/4	14 1/2	- 1/2			
1385	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2648	Imperial	51 3/4	14 1/2	- 1/2			
1386	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2649	Imperial	51 3/4	14 1/2	- 1/2			
1387	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2650	Imperial	51 3/4	14 1/2	- 1/2			
1388	Alcan (Pric	14 1/2	14 1/2	14 1/2	+ 1/2	2651	Imperial	51 3/4	14 1/2	- 1/2			

16 1/2	8 1/4	8 1/4	Bld	n1.11
3 1/4	2 1/4	2 1/4	Barco	.12
8 1/4	2 1/4	2 1/4	BarnEn	
7 1/4	3 1/4	3 1/4	BaryRG	

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(Continued on Page 13)



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The "Corporación de Fomento de la Producción" (CORFO) has opened a public bidding for the sale of the following properties located in the Province of Valdivia, Tenth Region, Chile:

- **Arquihue Forestry Sector:** Ranco Lake County, size of property 25.716 hectares approximately.
- **Arquihue Cattle Sector:** Ranco Lake County, size of property 9.212 hectares approximately.

Conditions for payment and information on each of the properties offered are available for investors at the CORFO building in Santiago, Moneda 921, Office 716, seventh floor, at the price of \$ 25 U.S. dollars per set. Payment must be submitted at the cashier, office 208, second floor, from 9 A. M. to 2 P. M., or at Regional Offices in the cities of Iquique, Antofagasta, Copiapó, La Serena, Valparaíso, Rancagua, Talca, Concepción, Temuco, Puerto Montt, Coyhaique and Punta Arenas.

Bids must be presented in duplicate in sealed envelopes, addressed to the Executive Vice-President of the Corporation, Moneda 921, Office 825, eighth floor, no later than July 30th, 1982 at 11 A. M.

Bids will be opened in the presence of interested parties by the Secretary General, who will act as arbitrator.

The Corporation reserves the right to accept the offers deemed most suitable or to reject all offers without further explanation.

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AUSTRIAN CHINESE, female, university graduate, a Foreign Language Certificate in Education to teach these subjects in France, sales and administration, multi-lingual: German, Hungarian, Italian, French, good with children, will consider any job. Write P.O. Box 224, 1111 Wien, Austria.

YOUNG FRENCH LADY who desires to visit USA to perfect English, seeks position as travelling companion to English-speaking persons, francophile. Tel. 738 60 13 or Box 732, Herault Cedex, 92201 Neuilly Cedex, France.

SENIOR ROOM SUPERVISOR / Broker Assistant, Bank offices, excellent salary, free to travel. Box 752, Herault Cedex, 92201 Neuilly Cedex, France.

SENIOR STUDENT OF PHYSICS, fluent French, English, German, seeking job involving international travel, fluent in English, French, German, Spanish, Italian, Russian. Mail to Box 178, 05340 Zurich.

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CONSTRUCTION COMPANY, Real Estate/Construction near San Francisco, seeks bilingual secretary, French-English, English immediate target. Free immediately for stable job. Trying on French keyboard, 39 hours / 5 days. Company responsible. Send resume and any requirements & references to Box 9723, Herault Cedex, 92201 Neuilly Cedex, France.

SECRETARY FOR OUR JUNIOR executive, to work in New York, New York, New York, USA and July. Please reply with photo and C.V. to Charles Miller, P.O. Box 100, New York, New York, New York, USA. 200 63 59.

EDITOR SECRETARY bilingual French-English, must be trained as secretary, free to travel. Write to: Mrs. H. 9221, Neuilly Cedex, France.

COORDINATOR of all correspondence. Write to: Mrs. H. 9221, Neuilly Cedex, France.

SECRETARIES AVAILABLE

TOP SECRETARY, temporary / permanent. Call G.E. Intern. Tel. 225 59 25 Paris

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STUNGLED LADY seeks lady companion, unattached, free to travel, 30-45, French/English, driver's license, excellent French, fluent in English, immediate, good salary, free to travel. Write to: Mrs. H. 9221, Neuilly Cedex, France, sending handwritten photo, telephone, address and telephone.

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WOLFF NANNIES & Mothers' Help for new / North America, 27, Gr. Garden, Brighton, UK. Tel. 087 60 60.

WOMAN, 32, bilingual, would look after children in Paris for July. Tel. 235 20 34 Paris

YOUNG SPANISH WOMAN seeks job as companion, unattached, free to travel, 20-25, French/English, driver's license, excellent French, fluent in English, immediate, good salary, free to travel. Write to: Mrs. H. 9221, Neuilly Cedex, France, sending handwritten photo, telephone, address and telephone.

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(Continued From Back Page)

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LOW COST FLIGHTS

PARIS

Chicago Futures June 29

WHEAT	Open	High	Low	Settle	Chg.
2000 bu minimum	2.00	2.01	1.99	2.00	+0.01
July	2.00	2.01	1.99	2.00	+0.01
Aug	1.99	2.00	1.98	1.99	+0.01
Sept	1.98	1.99	1.97	1.98	+0.01
Oct	1.97	1.98	1.96	1.97	+0.01
Nov	1.96	1.97	1.95	1.96	+0.01
Dec	1.95	1.96	1.94	1.95	+0.01
Jan	1.94	1.95	1.93	1.94	+0.01
Feb	1.93	1.94	1.92	1.93	+0.01
Mar	1.92	1.93	1.91	1.92	+0.01
Apr	1.91	1.92	1.90	1.91	+0.01
May	1.90	1.91	1.89	1.90	+0.01
June	1.89	1.90	1.88	1.89	+0.01

U.S. COMMODITY PRICES

Open	High	Low	Settle	Chg.		Open	High	Low
						SUGAR-WORLD II		
cents per lb.						cents per lb.		
74.75	75.90	74.07	75.45	+33	Jul	7.15	7.27	7.15
73.25	74.00	72.40	73.40	-35	Aug	7.61	7.60	7.41
73.25	73.5	71.50	72.5	-25	Sep	7.57	7.56	7.45
72.80	73.5	71.80	72.67	-55	Oct	7.57	7.76	7.57
71.80	72.75	71.20	72.35	+55	Nov	8.40	8.40	8.40
73.20	73.50	72.10	73.40	-70	Dec	8.50	8.50	8.50
			72.00	-70	Jan	9.20	9.20	9.20
				-70	Feb	9.40	9.41	9.20

Open High Low Settle Chg.

30.490 lbs./ cmts per lb.					
Jul	66.80	67.48	66.75	67.26	+ .50
Oct	70.25	71.25	70.25	71.85	+ 1.01
Dec	72.00	73.00	72.00	72.98	+ 1.14
Mar	74.00	75.00	74.00	74.92	+ 1.08
May	75.45	76.08	75.45	75.99	+ .54
Jul	76.20	77.35	76.20	77.08	+ .73
Oct	77.00	77.36	77.00	77.30	+ .43
Dec	77.00	77.36	77.00	77.30	
Prev. sales 6,120.					
Prev day's open in 22,934. on 323.					
COPPER					

Tuesday's AMEX Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

12 Month	High	Low	Stock	Div	Yld	P/E	52	High	Low	Open	Close
1000 lbs	1.10	1.11	1.09	1.10	+0.01						
July	1.10	1.11	1.09	1.10	+0.01						
Aug	1.09	1.10	1.08	1.09	+0.01						
Sept	1.08	1.09	1.07	1.08	+0.01						
Oct	1.07	1.08	1.06	1.07	+0.01						
Nov	1.06	1.07	1.05	1.06	+0.01						
Dec	1.05	1.06	1.04	1.05	+0.01						
Jan	1.04	1.05	1.03	1.04	+0.01						
Feb	1.03	1.04	1.02	1.03	+0.01						
Mar	1.02	1.03	1.01	1.02	+0.01						
Apr	1.01	1.02	1.00	1.01	+0.01						
May	1.00	1.01	0.99	1.00	+0.01						
June	0.99	1.00	0.98	0.99	+0.01						

London Commodities June 29

Sep	2.67 1/2	2.68 1/4	2.67 1/4	2.67 1/4	
Dec	2.78 1/2	2.77 1/2	2.78 1/2	2.71	+ .08 1/4
Mar	2.85 1/4	2.87	2.85 1/4	2.86	+ .00 1/4
May	2.86	2.87	2.95 1/2	2.94	+ .08 1/4
Jul	3.07 1/2	3.04	3.02 1/2	3.07 1/4	+ .05 1/4
Prev. sales 42,704					
Prev day's open Jul 111,672, up 1,925.					
SOYBEANS					
500 bu minimum; dollars per bushel					
Jul	4.21	4.24	4.18	4.18 1/4	— .01 1/4
Aug	4.26	4.29	4.24 1/2	4.25 1/4	+ .08 1/4
Sep	4.27 1/2	4.31	4.26 1/2	4.28	+ .01

Paris Commodities June 29

May	6.79 1/2	6.84	6.79 1/2	6.81 1/2	+0.02
Jul	6.82	6.94	6.92	6.92 1/2	+0.01
Aug	6.99	6.99	6.97	6.97	+0.02 1/2
Prev. sales 45,397.					
Fry day's open mt 76.5% off 1.3%.					
SOYBEAN MEAL					
100 lbs.: dollars per bag					
Jul	108.50	181.40	180.20	180.40	+20
Aug	180.70	181.70	180.20	181.10	+40
Sept	181.50	182.60	181.50	181.80	+40
Oct	182.90	183.50	182.30	182.40	+30
Nov	182.30	188.00	186.80	187.30	+30

Gold Markets June 29

Jul	18.00	18.08	18.48	18.69	—11
Aug	19.04	19.15	18.95	18.94	—09
Sep	19.32	19.38	19.38	19.28	—08
Oct	19.58	19.60	19.40	19.41	—07
Nov	19.85	20.00	19.80	19.81	—06
Dec				20.00	—15
Jan	20.00	20.00	20.00		

Gold Options (prices in \$/oz)

Prev. sales 102.2				
Prev day's open int 55,792, up 534.				
CATTLE				
1000 lb cwt; dollars per bushel				
Jan	1.88 1/2	1.90 1/2	1.88	1.86 1/2 — 81 1/2
Feb	1.72 1/2	1.74 1/2	1.70	1.68 1/2 — 82
Mar	1.75	1.77	1.72 1/2	1.70 1/2 — 82 1/2
Apr	1.78 1/2	1.79 1/2	1.74 1/2	1.72 1/2 — 83 1/2
May			1.75 1/2	— 83
Prev. sales 2,304				
Prev day's open int 8,444, up 446.				

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Dividends June 29

INCREASED		
Company	Per.	Amt
Thiokol Corp	Q	.30
WD-40 Company	Q	.55

USUAL		
	Q	
Affix Publications	Q	.21
Amalgamated Super	Q	1.28
Ameron Inc	Q	.48
Godfrey Co	Q	.18
Hindertite Energy	Q	.09

Highs and Lows June 29

Mosinee Paper	Q	.0812
Oshman's Spqr G	Q	.04
Plantronics Inc	Q	.04
Radco Labs Inc	Q	.10
Reifen Manufacturing	Q	.28
Santa Fe Indust	Q	.25
Sikes Corp	Q	.07 1/2
Stocker & Yale	Q	.04
Strawbridge & Cloth	Q	.35
Union Oil Calif	Q	.25
Varien Corp	Q	.14

NEW HIGH-25

Highs and Lows

NEW HIGHS—26

Alberts AlingAuto & AmerStores Anacrusis	HeinzH & Heitz pl Hillerbnd & Munich
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NEW LOW-25

ESystem s	Polysty Co I	
EthyCo pB	Primatol	
	RepNY pA	
NEW LOWS—55		
AGenConv	FlBcpTex	
Anixtar s	FightSMY s	
AshIO pf	Foxboro s	
BehCorg	GerberSc	
Beth Steel	Grace Co	
Boring	IUInA	

ADVERTISING

CASIO COMPUTER CO., LTD.

(CDR)

Referring to its advertisement in this paper of January 20th, 1982 the undersigned announces that the original shares from 10% free distribution have been received.

As from 5th July, 1982 one new CDR Casio Computer Co., Ltd. comm. cap. 17 s.d. and taken will be available at Kas-Associatie N.V., against delivery of 10 div. cap. 15 of CDR Casio Computer Co., Ltd. After 20th August, 1982 the equivalent of the CDRs, which have not been claimed by the holders of div. cap. 15 will be sold. The proceeds, after deduction of expenses, will be held in cash at the disposal of said holders.

Further the undersigned announces that as from 5th July, 1982 at Kas-Associatie N.V., Spuistraat 172 in Amsterdam, div. cap. 16 (accompanied by an "Affidavit") of the CDRs Casio Computer Co., Ltd. each cap. 100 s.d., will be payable with Dfls. 11.55 net (div. per note 20.3.1982; gross Yen 12.50 p.h.) after deduction of 15% Japanese tax = Yen 107.50 = Dfls. 1.99 per CDR. Without an Affidavit 20% Jap. tax (to Yen 250. = Dfls. 2.65) will be deducted.

After 20.10.1982 the div. will only be paid under deduction of 20% Jap. tax with Dfls. 10.59 net, in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 23rd June, 1982.

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After 20.10.198

SPORTS

Poles Looking to Day of Independence on July 4th

International Herald Tribune
BARCELONA Any American who gives a damn about this round-ball game faces a dilemma on the Fourth of July. Whatever

ROB HUGHES

his Independence Day celebration, the Eastern bloc has arranged a humdrum of a soccer match he should not miss.

Sunday night in Barcelona will

bring the first major confrontation between Russian and Polish players since the Poles were deprived of their freedom last winter. And apart from the political overtones, it promises to be a match of high quality.

Both the Soviet Union and Poland are in tremendous form in this World Cup, and when Zbigniew Boniek scored a memorable hat trick to beat Belgium, 3-0, Monday night it proved just how

capable Poland is of preventing the Soviet march to the semifinals. Sunday's will be a meeting Russia had clearly hoped to avoid.

When the rigged draw for these finals took place, the Soviet Union did not object to being omitted from the seedings despite a world-record of 23 games without defeat. It did not object because the seeding plan appeared to give it the best chance of avoiding such politically embarrassing meetings

against suppressed little-brother nations.

So now the marvelous uncertainty that still pervades this competition has brought the confrontation — almost as if fate decreed it.

Boniek's goals were spectacular and surprising in that he has hitherto been more a creator than finisher. And after the match he explained that for once financial reward was the last thing in his mind. "In this game," he said, "I didn't even think about my contract with [his Italian club] Juventus. I played for Poland."

He played as a man inspired. If he does the same on Sunday, even Alexander Chivadze, the masterly Soviet sweeper, will be stretched to the limit. So too will the Russian fullbacks if Chivadze is in the same sprinting shape. Lato, 32, peeled back the years to display the winger's skills that had made him a world-renowned figure in the early '70s.

Monday's was his 100th game for Poland, and if his performance appeared to us to be liberated he came out with a surprising explanation afterward. "The coach is the one who decides the play. The player limits himself to following the coach's instructions."

Wonderful players some coaches make. Only an hour before the match, Vava, the assistant coach of the current Brazilian side and Brazil's leading goalscorer of the 1958 World Cup was to say: "For me, there are too many coaching systems in the game."

"A system is an excuse for bad players. The game should be allowed to be a spectacle."

Tell that to the Italians.

Tuesday night, Italy defeated Argentina, 2-1, in a game that was destructively anti-soccer.

for Volkscrant of the Netherlands, it was "Soccer Porno."

The anger has several explanations. Soccer is the only truly national sport in West Germany, and most of the time it is played remarkably well. The country's professional teams are tough and exciting. The sport is followed passionately; anything harming it is treated with contempt.

The players are well paid. If they don't play their best, they are in effect thumbing their noses at their fans. But in the match against Austria, followed around the world on television, the editorialists said the players were contemptuous of everyone.

Worse than that for some West German commentators were the attempts to justify the do-nothing style. After an official protest by Algeria was rejected by soccer's international authorities, the players and managers said they had to think of themselves and not of the fans or reputations. What they really had on their minds, wrote the Frankfurt Allgemeine Zeitung, was their own profit.

"As shattering as the shameful spectacle between Germany and Austria was," said the newspaper, "even more horrifying was the background of naive incomprehension on the team about all the upset, the gap between two worlds, the shrunken or vanished feeling for old-fashioned notions like seriousness and honor."

And West All Sonntag focused on what the rest of the world was saying about the Germans. Its commentary was titled "The 'Ugly Germans' Are Back."



Zbigniew Boniek, left, scoring the second of this three goals against Theo Custers and Belgium.

Italy Upsets Champion Argentina, 2-1

The Associated Press
BARCELONA — Marco Tardelli and Antonio Cabrini scored second-half goals as Italy upset defending champion Argentina, 2-1, Tuesday and moved within one victory of reaching the World Cup semifinals.

The 1978 champions, for whom captain Daniel Passarella scored with a late free kick, now need to defeat three-time champion Brazil — and hope that Brazil beats the

WORLD CUP SOCCER

Italians — in order to stand a chance of advancing on goal difference from the second round's Group C.

In Madrid, meanwhile, England and West Germany played to a scoreless tie in their Group B match Tuesday, greatly boosting Spain's chances of advancing from Group B to the semifinals. Spain, which meets West Germany in its next match, now needs only one victory and a draw to reach the final four.

Italy absorbed persistent Argentine pressure during a rugged first half, in which five players were cautioned.

Rough Play

The rough play continued throughout, and Argentine midfielder Americo Gallego was sent off with six minutes left to play after fouling Tardelli.

The Argentines, limited in attack and slow to cover, showed none of the guile that earned them the title four years ago. With Claudio Gentile marking Diego Maradona closely, the Argentine attacks lacked variety.

When the South Americans

slacked off early in the second period, the Italians took full advantage.

Tardelli opened the scoring in the 56th minute, blasting a pass from Giancarlo Antognoni past goalkeeper Ubaldo Fillol. The goal joined the Argentines into a furious attempt to equalize, and Italian goalie Dino Zoff, at 40 the oldest player in the tournament, made successive saves on Passarella and Daniel Bertoni.

But Paolo Rossi ran at the Argentine defense and forced Fillol to rush out and block his shot. The loose ball bounced to Bruno Conti, who raced to the goal-line before passing the ball back for defender Cabrini to put a left-footed bullet high into the net in the 68th minute.

Chaos

Gentile was booked in the 41st minute for one of several times he sent Maradona, the 21-year-old sensation, sprawling to the pitch. Maradona's inability to shake Gentile left the Argentine forwards in chaos.

Mario Kempes and Ramon Diaz were off form, shooting wildly and failing to create cohesive offensive movements.

The victory was Italy's first of the cup finals.

It also scored as many goals as it had in the previous three first-round outings, all of which ended in draws.

Other players booked by Romanian referee Nicolae Rainea were Rossi in the 15th minute, for fouling; Kempes in the 32d, for dissent; Tardelli; Maradona in the 35th, for arguing about a run-in with Gentile; and Ardiles in the 38th, also for protesting.

Italian Coach Enzo Bearzot said he expected to play another one-on-one game against Brazil.

"We played with rigid man-to-man markings because that is our game," he said.

"But every time we moved out of our defense, we sought to develop an attack and we created dangers."

"It was a tough game, but we played the right tactics."

"I put Gentile on Maradona because I had played Tardelli on him, we would have a hole at mid-field and our game would have been too defensive, giving up our scoring chances," the coach said.

"Now that we have started scoring we are collecting the results of our work," Bearzot said. "Perhaps the fact we had to play such tough matches previously has given us the stamina to come out and beat Argentina in the second half."

Shocked

Argentine coach Cesar Luis Menotti said he was shocked. "I expected to win. I surely was not thinking before the game that we could lose," he said.

"We played a good match but we were caught in the 'no-play' of the Italian team. Before scoring the first goal they never put our goal in danger."

Menotti criticized the referee, complaining he was too soft on Gentile.

"The rules say if a player fouls another player regularly, he must be cautioned and then sent off," Menotti said. "Maradona suffered at least 20 fouls."

West German striker Karl-Heinz Rummenigge came close to setting a drab, slow-motion game when, with four minutes remain-

ing, he powered in a night-footed shot from 25 meters out that crashed against crossbar and bounced away.

Both teams played cautiously, afraid to gamble on attack and face the possibility of conceding a goal.

The Germans built up attacks slowly from the back, while the English were quicker but equally as ineffective.

The two teams were booed from the field at the end of a match watched by a crowd estimated at 75,000.

The result ended a nine-game England winning streak. West Germany next plays Spain Friday, while England will face host nation Spain on Monday.

It was West Germany that opened the game more cautiously, playing the ball around at the back with no intention of launching attacks.

England began more inventively, but soon shrank back into its shell.

Strikers Trevor Francis and Paul Mariner — so effective in England's opening round victories over France, Czechoslovakia and Kuwait — seldom got the feeds they needed.

Steve Coppell, with a curling cross, and Bryan Robson, with a direct header, both forced early saves from German goalkeeper Harald Schumacher.

Paul Breitner's splendid long drive to the near post demanded a 36th minute save by goalie Peter Shilton.

The game continued its pattern of uninspired play, a late shot by Robson that flew wildly off target underlining the lack of direction.

Dodgers 6, Padres 4

In Los Angeles, Steve Yeager and Pedro Guerrero each hit two-run homers to help Fernando Valenzuela join Carlton as the league leaders with 10 victories as the Dodgers beat San Diego, 6-4.

Major League Leaders

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Law Partnership Defeats Twins for White Sox

Compiled by Our Staff from Dispatches
MINNEAPOLIS, Minn. — Rudy Law and Vance Law teamed up to trigger a seven-run fourth inning that carried Chicago to an 8-7 victory over Minnesota here Tuesday night.

Vance Law flashed his speed in beating out a bases-loaded infield hit that brought in the first run.

BASEBALL ROUNDUP

Rudy Law followed with a three-run double off Al Williams (2-6). Steve Kemp capped the inning with a two-run home run.

Rudy Law pulled the White Sox out of a ninth-inning jam when he raced to the center-field wall to

haul in Jesus Vega's two-out drive with two runners on base.

Dennis Lamp (5-3) received credit for the victory, but left the game after serving up a three-run homer to Gary Ward in the eighth inning. Salome Barajas recorded his 13th save.

The Twins got to Lamp for a pair of runs in the fifth on run-scoring singles by Kent Hrbek and Randy Johnson, but Chicago scored what proved to be the winning run in the sixth on an RBI single by Greg Luzinski. Hrbek led off the ninth with his 16th homer of the season.

Red Sox 9, Brewers 7

In Boston, Jerry Remy batted in four runs with a pair of doubles to spark the Red Sox to a 9-7 triumph over Milwaukee that snapped Boston's three-game losing streak. The loss was only the Brewers' second in 12 games. The losers' Gorman Thomas hit a two-run home run and Roy Howell had one with no-balls added.

A's & Royals 4
In Kansas City, Mo., Rickey Henderson had in four runs batted in with a single and a double and Dwayne Murphy hit a three-run homer to lift Oakland past the Royals, 4-4. Rick Langford scattered 10 hits over 7 1/2 innings to pick up his sixth triumph in 15 decisions.

Phillies 1, Cardinals 0

In the National League, in Philadelphia, Steve Carlton pitched a 6-hitter as the Phillies nipped St. Louis, 1-0. Their eighth straight victory moved the Phils into first place by .002 percentage points over the Cardinals. Carlton, who pitched a three-hitter last Thursday in St. Louis, struck out four

and allowed only one runner to reach third base in improving his season record to 10-7 and his career mark against his former team to 33-10.

Cubs 6, Pirates 4

In Chicago, Leon Durham hit two home runs to lead the Cubs' 6-4 decision over Pittsburgh. Durham's second home run of the game and 10th of the season came in the seventh after Bill Buckner had singled off Enrique Romo (4-2). Durham, who went 3-for-4, also contributed a fifth-inning triple, giving him four RBIs for the day.

Astros 6, Braves 2

In Atlanta, Nolan Ryan and Bert Blyleven combined on a four-hitter while Dickie Thon had two hits, scored twice and drove in a run to spark Houston to a 6-2 triumph over the Braves in a game delayed for more than two hours by thunderstorms. Ryan (7-8) walked three and struck out 10 over eight innings.

Giants 7, Reds 1

In San Francisco, Joe Morgan homered and drove in another run during a six-run first to lead the Giants to a 7-1 romp over Cincinnati. Morgan led off the first with a home run off Charlie Leibrandt (2-2) and Jim Wolford's bases-loaded double made it 3-0. Two walks and an error led to two more

Transactions

BASEBALL
KANSAS CITY—Placed outfielder Cesar Geronimo on the 15-day disabled list; called up outfielder Steve Hammond from Omaha of the American Association.

OAKLAND—Released first baseman Jim Sweeney; recalled outfielder Danny Gooden from Tacoma of the Pacific Coast League.

CHICAGO—Placed Randy Meek, pitcher, on the 15-day disabled list.

PITTSBURGH—Called up Cecil Geier, pitcher, from Portland of the Pacific Coast League; signed Kevin Kobay, pitcher.

NEW ENGLAND—Signed Andre Thibault, pitcher.

ST. LOUIS—Signed Vance Law, defensive back, and Eddie McCull, infielder, to one-year contracts. Signed Alan Muhl, infielder, to a free-agent contract. Acquired Sam Brown, right end, on waivers from the N.Y. Jets.

HOCKEY
MONTREAL—Signed John Henderson, center, and Croie Louie, defenseman, to one-year contracts.

COLLEGE
BETHANY—Hired Jim Zamboni, head basketball coach.

runs, and Morgan drove in the final run of the inning with a sacrifice fly.

Dodgers 6, Padres 4

In Los Angeles, Steve Yeager and Pedro Guerrero each hit two-run homers to help Fernando Valenzuela join Carlton as the league leaders with 10 victories as the Dodgers beat San Diego, 6-4.

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Jaeger and Shriver Defeated

The Associated Press

WIMBLEDON, England — Defending champion Chris Evert Lloyd pursued top-seeded Martina Navratilova and sentimental favorite Billie Jean King into the quarterfinals of the Wimbledon tennis championships Tuesday, but fourth-seeded Andre Jaeger and No. 7 Pam Shriver were ambushed.

Evert stormed back from a first-set breaker loss to post a 6-7, 6-3, 6-1 triumph over No. 15 Virginia Ruzici of Romania. It was

Jaeger and Shriver Defeated

The Associated Press

Navratilova overcame a strong challenge to subdue 18-year-old Zina Garrison, 6-3, 6-2, while King, playing in her 100th singles match at the All-England Club, tripped sixth-seeded Wendy Turnbull of Australia, 6-2, 6-3.

"This was my first match on the Center Court and it almost seemed if I didn't belong out there," said Navratilova. "She was hitting the ball so hard that I just tried to keep it in play."

Anne Smith, the No. 13 seed, touched off the streak of upsets by upending Jaeger, 6-4, 6-2. No. 10 Barbara Potter followed with a surprisingly easy 6-2, 6-4 defeat of Shriver and JoAnne Russell eliminated ninth-seeded Sylvia Hanika of West Germany 6-4, 6-7, 6-3.

No Expectations

"At this Wimbledon, you don't know who's going to do what," Jaeger said. "I didn't come here with any real expectations."

Third-seeded Tracy Austin had little trouble in defeating West German Claudia Kohde, 6-3, 6-3, to become the seventh American woman to advance into the quarterfinals of the tournament. No. 11 Bettina Bunge will meet fellow American Candy Reynolds Wednesday for the final spot.

Jaeger, plagued by recent injuries, faced three break points at love-40 while serving to save the match in the eighth game of the second set. She staved off two match points with backhand volleys and then passed Smith to pull the game out. But Smith, strong from the baseline throughout the match, won the ad point when Jaeger netted a backhand and advanced to the quarters when Jaeger hit a forehand winner.

Third-seeded Vitas Gerulaitis overcame inconsistency and a two-set deficit to defeat unseeded Tomas Smid of Czechoslovakia 6-7, 3-6, 6-3, 6-4, 6-2.

MEN'S SINGLES

Second Round
Steve Denton, U.S., def. Scotty van der Merwe, South Africa, 6-3, 6-4, 6-3, 6-2, 6-1; Tim Laverie, U.S., def. South Africa, 6-4, 6-3, 6-2, 6-4; Stefan Simonsson, Sweden, def. Leo Patin, Finland, 6-4, 6-3, 6-2, 6-1.

Third Round
Russell Simpson, New Zealand, def. Marcos Russell, Brazil, 6-2, 6-7, 6-3, 7-6, 6-3; Mark Wilander, Sweden, def. Stanislav Birner, Czechoslovakia, 6-4, 6-4, 6-4; Gene Mayer, U.S., def. Larry Staller, U.S., 7-6, 6-3, 6-2; Mark Edmondson, Australia, def. Saman Kohde, India, 6-3, 7-6, 6-4, 6-4; John Kriek, South Africa, def. Peter Rennert, U.S., 6-4, 6-3, 6-4, 6-1; Roscoe Tanner, U.S., def. Vilijam Amaratunga, India, 6-4, 6-4, 6-4; Hank Pfister, U.S., def

